

Bridges To the Future
2004 Annual Report of the Participation of Socially
Disadvantaged Farmers and Ranchers in USDA
Programs

The Section 10708 Report

The U.S. Department of Agriculture

Office of the Assistant Secretary for Civil Rights

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NONDISCRIMINATION STATEMENT

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs). Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720 5964 (voice or TDD). USDA is an equal opportunity provider and employer.

December 2005

The Farm Security and Rural Investment Act of 2002, signed into law on May 13, 2002 and popularly known as the “Farm Bill,” sets forth directions for the Department of Agriculture’s accountability for non-discriminatory practices in the participation of socially disadvantaged farmers and ranchers in programs of the Department.

Section 10708, *Transparency and Accountability for Socially Disadvantaged Farmers and Ranchers; Public Disclosure Requirements for County Committee Elections*, requires an annual compilation and public disclosure of applicable data to assess and hold the Department accountable. The “10708 requirement” is a congressional directive to eliminate the Department’s long-held reputation of discriminatory practices towards socially disadvantaged farmers and ranchers throughout the Department’s vast Federal-State-County system by reporting on an annual basis the progress made to correct the same.

In 2003, USDA staff reviewed more than 300 programs to determine those required to report under the requirements of Section 10708. I am pleased to announce the publication of the FY 2004 report. It is in two parts—a narrative, and accompanying maps and tables—that together document and explain the 2004 participation data on 33 of the 71 current USDA programs required to report, which contains more than 120,000 tables and 40 maps of programs that are established exclusively for farmers and ranchers. The introduction to the narrative report provides a detailed explanation of the limitations of the data, and the process used to compile the participation data.

The 10708 legislation also requires that after each Census of Agriculture I report the rate of loss or gain in participation by each socially disadvantaged group by race, ethnicity, and gender. We are pleased to report that these rates are now being calculated as required, and will be made available to the public in March 2006.

I am also pleased to report that USDA has continued to employ programs models that are not reflected in this report, but which inherently demonstrate our commitment to nondiscriminatory practices. For example, the Minority Farm Register program, the establishment of the Office of Socially Disadvantaged Farmers, and the Center for Minority Farmers are three models that enable the Department to increase participation rates of socially disadvantaged farmers and ranchers in USDA programs.

I am indebted to the USDA staff involved in compiling this report whose names appear in the acknowledgements section. Their commitment to its completion is a testament to our establishment and maintenance of effective tools and systems that will help ensure all our customers are served efficiently and fairly. The results of this report will not only inform the public—it will enhance our programming and service delivery to all USDA constituents.

Mike Johanns
Secretary

December 2005

The intent with this 2nd Annual Report of Section 10708 (a) of the 2002 Farm Security and Rural Investment Act is to continue sending a clear, bold and strong message to the public, Congress, and farmers and ranchers that USDA is committed to the establishment of fair and equitable service to all customers in all of the Department's programmatic operations, including that provided by our state and county partners. We recognize that farmers and ranchers need action, not just promises and recommendations. This report is an important component in the Department's continuing commitment to change, and action.

I share the Secretary's goal—that every constituent be treated fairly, with dignity, respect, and cultural appreciation. By continuing to work with farmers and ranchers, community-based organizations, minority-serving educational institutions, and state and local partners, we can more quickly identify barriers to this goal, thereby fostering the critical task of improving participation. New outreach strategies are being designed and implemented to help ensure a level playing field for socially disadvantaged farmers and ranchers to have access to accurate, up-to-date information about USDA programs and services.

The status and well-being of American agricultural enterprises are inextricably intertwined with the future of our Nation. Accordingly, each subset of American agricultural enterprises, specifically minority, small and socially disadvantaged farmers and ranchers, is a vital contributor to the future of our Nation.

Vernon B. Parker
Assistant Secretary for Civil Rights
USDA

Acknowledgements

This report reflects the involvement of many individuals committed to the elimination of discrimination in the programs of the Department. Thus, the Office of the Assistant Secretary for Civil Rights is pleased to acknowledge the contributions of the following USDA staff in the development and publication of this report of the participation of socially disadvantaged farmers and ranchers in programs of the Department, as required by Section 10708 of the Farm Security and Rural Investment Act of 2002 (Public Law 107-171).

Interagency Working Group

The USDA Interagency Working Group was comprised of Gary Batko, Chuck Martin, and Matt Shillink (AMS); Steve Shelor (APHIS); Jim Spurling and Nancy Valentine (CSREES); Lloyd Day, Saundra Holt and Valentine Thompson (FAS); Dan Dager and Steve Carlson (FNS); Robert Ragos (FS); Philip Elder, Tom Hofeller and Ed Rall (FSA); William P. Milton, Jr., Melissa Dull, (FSIS); Linda Alston (GIPSA); Chuck Lambert (MRP); Jay Johnson and Douglas G. Kleweno (NASS); Victor Blackburn, Anne Dubey, Adolfo Perez, and Al Roberts (NRCS); Tami Trost (OGC); Carlton Lewis, Mark Sanborn, Michael Leach, Katie Boots, Rodney Brown, Michael Foore, Carl Muhlbauer, Michael Thieman, and Jay Fletcher (RD); Bill Buchanan and Iris Snowden (RMA); and Carolyn Peake and Jim Staiert (OBPA). Charles Smith (ASCR) served as staff leader for the group.

Data Analysis and Management Group

A major dimension of this milestone report was the data analysis and management, and the preparation of the reports by county and state participation levels. This mammoth effort was lead by Gayle Doss (RD), who served as Project Leader. Her team in Washington, DC, and St. Louis, Missouri, included Peggy Stroud and Linda Hamel -- managers; Andrew Shamburger and Wayne Van Sluys -- report developers; Jason Smith -- map developer; Hussain Al-Sriefi -- web developer; Suzie Maxwell -- tabular data warehouse administrator; and Dwana Davis --geospatial data warehouse administrator.

Editing and Posting Group

Staff who assisted with editing, preparing the report for clearance, and posting of the final report and the data was Leon Thomas, Dawn Tucker, Gladys Gary Vaughn, Deb Hamilton, Josie Woodley-Jones, and Clyde Thompson.

Program Participation

Introduction

To assist USDA in ensuring nondiscrimination in its programs, Congress has provided additional tools and direction as part of the Farm Security and Rural Investment Act of 2002, P.L. 107-171, 7 U.S.C. §2279-1 (2002 Farm Bill). Section 10708 of the 2002 Farm Bill provides for the collection and reporting of participation data on an annual basis for all programs of USDA designed for farmers and ranchers; in addition, the Act requires a report to Congress following each Census of Agriculture detailing the gain or loss in participation by socially disadvantaged (SDA) groups. SDA farmers and ranchers are defined as farmers and ranchers who belong to a group “whose members have been subjected to racial and ethnic prejudice because of their identity as members of a group without regard to their individual qualities.” [See 7 U.S.C. § 2279(e)(1) and (2)]. USDA has, by regulation, further defined the term “socially disadvantaged farmer or ranchers” to include groups subjected to gender prejudice. Thus, socially disadvantaged groups include women, African Americans, Native Americans, Alaskan Natives, Hispanic Americans, Asian Americans and Pacific Islanders [See 7 C.F.R. § 1943.104].

Section 10708 mandates both transparency and accountability in the participation of socially disadvantaged farmers and ranchers in the programs of USDA. The inclusion of both transparency and accountability in this section provides important evidence as to how Congress intends the provision to be implemented. Transparency in program delivery requires the collection of demographic data for program participants and it requires USDA to make such participation data available to the public. Moreover, transparency requires USDA to provide opportunities for socially disadvantaged farmers and ranchers to participate in USDA programs for which they are eligible. Accountability requires USDA to maintain programs that are discrimination free.

This full 10708 report is published in two parts: a narrative and a data set of more than 120,000 tables and 40 maps indicating the participation by farmers and ranchers in USDA programs.

The narrative report has two components, *Program Participation* and *Outreach Highlights*. The first, *Program Participation*, describes the public and program reporting requirements, the data limitations of the report, how the data is presented and can be accessed, and steps being taken to improve the data collection process. Examples of the tables and maps showing participation demographics for specific USDA programs, by county and state, are included. The second component, *Outreach Highlights*, discusses current outreach efforts at the Departmental and agency levels for those agencies required to report data under Section 10708. In recent years, the Department has increased its outreach activities dramatically; its agencies have also increased outreach to socially disadvantaged participants who are eligible for specific their programs. As demographic data on program participants are improved, outreach efforts are expected to become more efficient, effective, and culturally sensitive.

Public Reporting Requirements

The statute requires the Secretary to “maintain and make readily available to the public, via website and otherwise in electronic and paper form,” all participation data collected annually since the most recent Census of Agriculture. The most recent Census of Agriculture was conducted in 2002 and the participation data were made available to the public in 2004. The participation data can also be viewed, saved and printed from the following website: <http://www.usda.gov/cr/OUTREACH/OUTREACHindex.htm>.

The statutory language requires that the participation data be made available in paper form. However, due to the large number of programs that are required to report, and the requirement that the data be collected on a county-by-county, program-by-program basis, it is not feasible to publish the entire data set in paper form. The narrative is available in paper form and electronically. The data set is available only on CD-ROM or the Internet. Individuals without Internet access will be afforded the opportunity to obtain up to 10 pages of tabular data by contacting a USDA Service Center office in their area.

Program Reporting Requirements

In preparing the first annual report, i.e., the 2003 Report, it was necessary to determine which USDA programs that serve farmers and ranchers were required to report. The ASCR’s office, in coordination with the agencies of the Department, has assembled extensive information regarding the demographic data collection efforts of each program. At the present time, USDA operates over 300 programs. Each of these programs is potentially required to report on the participation rates of socially disadvantaged groups under four separate reporting requirements: *Section 10708 of the 2002 Farm Bill*; *Section 2501(c) of the Food, Agriculture, Conservation and Trade Act of 1990*; *Executive Order 12250, Leadership and Coordination of Nondiscrimination Laws*; and *USDA civil rights regulations*.

After carefully reviewing the statutory requirements, 71 programs required to report demographic data under section 10708 were identified by the Office of the General Counsel for FY 2003. However, several programs that were included in the FY 2003 report are not included in the FY 2004 report. Of those 71 programs required to report in FY 2003, 11 Farm Service Agency (FSA) programs were discontinued or not funded for FY 2004. They are the: (1) Tree Assistance Program, (2) Sugarcane Disaster Assistance Program, (3) Nonfat Dry Milk Livestock Feed Assistance Initiative, (4) Livestock Indemnity Program, (5) Livestock Compensation Program, (6) Livestock Assistance Program, (7) Lamb Meat Adjustment Assistance Program, (8) Karnal Bunt Program, (9) Idaho Oust Program, (10) Cattle Feed Assistance Program, and the (11) Apple Market Loss Assistance Program. Also, the Trade Adjustment Assistance (TAA) for Farmers, Recreation Loan, and Grazing Association Loan programs were determined to not be subject to Section 10708 reporting. These programs are administered to or through associations or groups to its members and not handled directly by USDA employees to the ultimate recipients. Thus, accountability for the demographic makeup of participants is determined largely by those who happen to be participants in the particular industry or association, and not by USDA administration of the program.

A few programs were not reported on separately in the FY 2004 report in order to improve the quality of the report. First, data on several loan programs where no new loans are funded were consolidated with the data on the Emergency Loan Program, the Operating Loan Program, or the Farm Ownership Loan Program. Other programs--the Special Apple Loan Program, Softwood Timber Production Loan Program, Horse Breeder Loan Program, Emergency Loan to Seed Producers Program, and the Drainage and Irrigation Loan Program, have been consolidated in the FY 2004 report.

Further, data on Tobacco Programs, including the Flue-Cured Tobacco Program, and Burley Tobacco Support Program, are excluded in the FY 2004 report. All tobacco programs were terminated during FY 2004 by Title VI of the *American Jobs Creation Act of 2004* (Pub. L. 108-357), which instituted the Tobacco Transition Payment Program (TTPP) for farmers who were previously in the Tobacco Program (TTPP data will be reported in the FY 2005 report). Up to the date when the program was terminated, data for FY 2004 participation levels would be static from the data in the FY 2003 Section 10708 report. Repeating that data would add considerable volume while adding little insight into the delivery of programs to socially disadvantaged farmers and ranchers for FY 2004. For that same reason, data on programs with very few participants are not included in the FY 2004 report. For example, the Debt for Nature Program has only 580 participants nationwide, and less than 25 are added per year. Also, the Beginning Farmer and Rancher Land Contract Guarantee Pilot Program has only six active contract holders. Providing data on the participants in such a program for every county in the Nation adds a considerable number of reports with no data.

On the other hand, data are provided on programs for the FY 2004 report that were not reported on in FY 2003: Direct Loan Servicing, Direct Loan Disaster Debt Set-Aside, and Guaranteed Loan Servicing. These three are not separate programs, as a program is generally understood. However, FSA felt that inclusion of the demographic data on its loan program participants who have benefited from loan servicing actions was valuable to disclose. As with all programs in this report, duplication occurs between the borrowers who received a loan servicing action, and those in other programs. However, the number of borrowers who require and receive a loan servicing may be the result of regional weather or economic factors. Thus, although the potential universe of participants in loan servicing programs is the same as the participants in all farm loan programs, a comparison of the demographics between groups is not statistically valid as any measure of performance.

Two new programs were added to Natural Resources Conservation Service's (NRCS) portfolio for FY 2004. They are the Agricultural Management Assistance Program and the Conservation Security Program.

In summary, for 2004, 59 programs are required to report and data for 29 programs are included in this report (see Table 1).

A copy of Section 10708 of the 2002 Farm Bill and a summary of reporting requirements is provided in Appendix A. A chart of the programs with information about whether or not they were able to provide race, ethnicity, national origin, sex, disability status and age

data (collectively referred to as "demographic data") for participating socially disadvantaged farmers and ranchers is provided in Appendix B. Appendix C includes a description of all programs included in this report, and Appendix D lists the program agencies of the Department.

Section 10708 does not mandate the collection or reporting of participation based on disability status or age. Nondiscriminatory treatment, based on disability status and age, is generally required under other Civil Rights legislation and is being included in this discussion for completeness. However, none of the programs required to report under Section 10708 currently collect disability or age data on program participants

Table 1.
Programs Required to Report Participation Data

Agency	# of Programs Required to Report	# of Programs Reporting	Amount of Information Provided
Farm Service Agency (FSA)	36	25	Varies; partial or complete information provided for most programs.
Risk Management Agency (RMA)	6	0	No information provided.
National Resources Conservation Service (NRCS)	3	3	Full information.
Rural Development			
Rural Business Service (RBS)	7	0	No information provided.
Rural Housing Service (RHS)	2	1	Full information.
Cooperative State Research Education, & Extension Service (CSREES)	5	0	No authority to collect information.
Total	59	29	

For the purposes of this report, the terms "ethnicity" and "national origin" are used interchangeably to refer to individuals of Hispanic origin or individuals not of Hispanic origin in accordance with OMB data collection requirements. See 62 Fed. Reg. 58782 (October 30, 1997).

Data Limitations for this Report

The Interagency Working Group realizes that the data set is not statistically reliable. It continues to seek appropriate remedies to render empirical data. The collection of demographic data from program participants is strictly regulated. Without specific permission, Federal agencies are prohibited from collecting the data; agencies must have a compelling reason to collect the data, and must provide the Office of Management and Budget (OMB) with assurances concerning its protection and use. Various statutes, authorities, and clearances governing USDA agencies cause demographic data collection to vary widely within the Department.

Many USDA programs do not collect demographic data because the programs lack appropriate authorities or clearances to collect the data. At the same time, some agencies have approval to collect demographic data; however, that approval is specific to individual programs. Other agencies are attempting to collect what demographic data they can, usually through visual observation of the applicant. However, visual observation is unreliable because traits, such as ethnicity, disability, and age may not be readily evident to the observer. In addition, for some FSA programs, a database error resulted in a default value of “White male” whenever an applicant chose not to self-identify and an observation value was not entered. While this erroneous programming has been corrected, there has been no way to retroactively correct the errors. Consequently, this mixture of voluntary self-reporting, visual observation, and erroneous programming means that the demographic data currently maintained by the Department are statistically unreliable. Attention is called to the fact that in order to preserve program participant confidentiality, participation rates below 3% are grouped and simply reported as “<3%.” This convention is widely observed in USDA. Participation rates of zero are reported as such.

See page 9 for a discussion of Departmental plans to improve demographic data collection.

Agency Reporting

- **Service Center**

Like the data in the 2003 edition of the 10708 Report, the 2004 data used for this report are largely based on reports from the Service Center Information Management System (SCIMS). Accordingly, data for FSA, NRCS, and RD were extracted from SCIMS. The SCIMS database was implemented in February 2002 as a source of information on the race, ethnicity, gender, and national origin of each individual or entity participating in any program offered by one of the Service Center Agencies.

While SCIMS may eventually provide comprehensive, reliable information on participation rates for socially disadvantaged farmers and ranchers, much of the current SCIMS data is not statistically reliable. For example, because FSA does not currently have authority to request demographic data (e.g., race and/or ethnicity) from the majority of program participants, demographic information may only be collected through the observations of FSA employees. Observation and categorization by FSA employees may lead to incorrect entries, especially for ethnicity. In addition, until February 2002, ethnicity was not recorded, resulting in significant under-counting of Hispanics. There are currently no procedures in place to update or correct demographic data entries.

Currently, reliable and complete information on the participation of socially disadvantaged farmers and ranchers is only available for farm loan program participants. Because FSA is authorized to collect data from loan program applicants, SCIMS includes complete data for those who have applied for, or received, FSA direct or guaranteed loans. Statutory participation target rates are in place for FSA loans to beginning and SDA farmers. It is important to note that while demographic data for farm loan program participants are reliable, that data may not be representative of all FSA program participants.

- **Non-Service Center**

Like the Service Center Agencies, many other USDA agencies do not currently have the authority to collect demographic data from program participants. Of the agencies in the Research and Education, and Economics mission area only the CSREES operates programs required to report under Section 10708. However, CSREES does not currently have the authority to collect demographic information. RMA is required to report on six programs, but does not currently have the authority to collect demographic data.

Data Presentation

The following tables and map are representative of the kind of information included in the report. A few examples of the tables and maps are included to illustrate the nature of the participation data that are provided. As earlier indicated, these are available at the following website: <http://civilrightsreports.sc.eGov.USDA.gov>.

Each of the tables follows the same format, as do each of the maps. Demographic data are provided in the following categories: ethnicity (Hispanic/Latino or non-Hispanic/Latino) and racial group (White, Black, Alaskan or Native American (AIAN), Asian, Hawaiian/Pacific Islander (HPI), other (those not included in one of the other groupings), Multi (those indicating more than one racial group) and Unclassified (Unclass).

The map provides participation data for all socially disadvantaged groups. That is, the participation rate excludes White non-Hispanic program participants.

Again, Section 10708 of the 2002 Farm Bill provides for the collection and reporting of participation data on an annual basis for all programs of USDA designed for farmers and ranchers; in addition, the Act requires a report to Congress following each Census of Agriculture detailing the gain or loss in participation by socially disadvantaged groups. This information is shown in the tables.

Farm Service Agency

Direct and Counter Cyclical Payment Program

01133 – ALABAMA - Winston

	MALE			FEMALE			UNKNOWN		
	Hispanic or Latino	Not Hispanic or Latino	Undisclosed Ethnicity	Hispanic or Latino	Not Hispanic or Latino	Undisclosed Ethnicity	Hispanic or Latino	Not Hispanic or Latino	Undisclosed Ethnicity
	Participation Indicator	Participation Indicator	Participation Indicator	Participation Indicator	Participation Indicator	Participation Indicator	Participation Indicator	Participation Indicator	Participation Indicator
White	0%	53.33%	40%	0%	6.67%	0%	0%	0%	0%
Black	0%	0%	0%	0%	0%	0%	0%	0%	0%
ALAN	0%	0%	0%	0%	0%	0%	0%	0%	0%
Asian	0%	0%	0%	0%	0%	0%	0%	0%	0%
HPI	0%	0%	0%	0%	0%	0%	0%	0%	0%
Multi	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total	0%	53.33%	40%	0%	6.67%	0%	0%	0%	0%

***Participation Indicator:** Program participation indicator data are drawn from the SCIMS database, which includes historical data for participants in all FSA programs and may not accurately reflect current program participants.*

For the Direct and Counter Cyclical Payment Program in FY 2004 in Winston County Alabama, 53.33% of program participants were White non-Hispanic males and 40% were White males with an unknown/undisclosed ethnicity. The remainder of the program participants, 6.67%, were White non-Hispanic females. Missing data appears in the “Unknown” columns and, for this county; there were fewer than 3% of White participants with an unknown gender. The majority of the programs have some missing data primarily because disclosure of demographic data is largely voluntary. As was reported earlier, in order to preserve program participant confidentiality, participation rates below 3% are grouped and simply reported as “<3%.” Participation rates of zero are reported as such.

Farm Service Agency

DIRECT FARM OPERATING LOAN PROGRAM

05041 - ARKANSAS - Desha

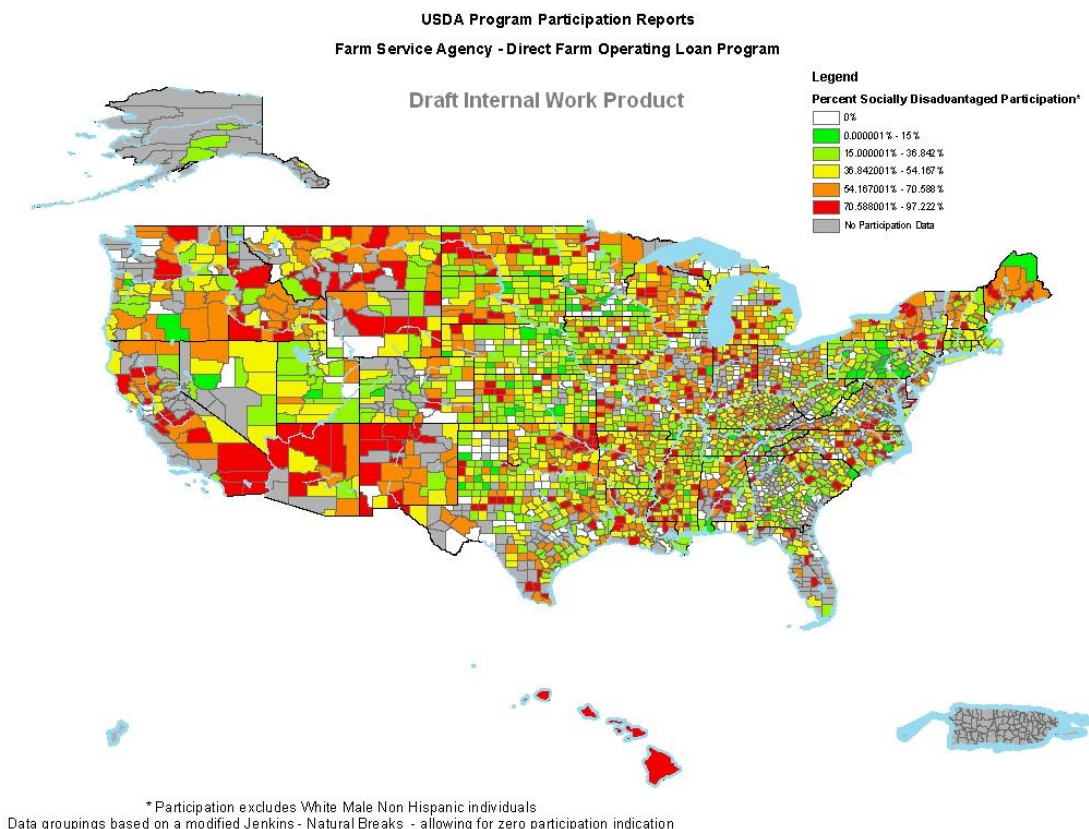
	MALE			FEMALE			UNKNOWN		
	Hispanic or Latino	Not Hispanic or Latino	Undisclosed Ethnicity	Hispanic or Latino	Not Hispanic or Latino	Undisclosed Ethnicity	Hispanic or Latino	Not Hispanic or Latino	Undisclosed Ethnicity
	Participation Indicator	Participation Indicator	Participation Indicator	Participation Indicator	Participation Indicator	Participation Indicator	Participation Indicator	Participation Indicator	Participation Indicator
White	0%	43.48%	0%	0%	0%	0%	0%	17.39%	0%
Black	0%	30.43%	0%	0%	4.35%	0%	0%	0%	0%
AJAN	0%	0%	0%	0%	4.35%	0%	0%	0%	0%
Asian	0%	0%	0%	0%	0%	0%	0%	0%	0%
HPI	0%	0%	0%	0%	0%	0%	0%	0%	0%
Multi	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total	0%	73.91%	0%	0%	8.7%	0%	0%	17.39%	0%

***Participation Indicator:** Program participation indicator data are drawn from the SCIMS database, which includes historical data for participation in all FSA programs and may not accurately reflect current program participants.*

For the Direct Farm Operating Loan Program in FY 2004 in Desha County Arkansas, 73.91% of program participants were non-Hispanic males (43.48% were White and 30.43% were Black). Some 8.7% of program participants were non-Hispanic Black women(4.35% were Black and 4.35% were American India/Alaskan Native). Missing data appears in the “Unknown” columns and, for this county, there were 17.39% white non-Hispanic participants with an unknown gender. The majority of the programs have some missing data primarily because disclosure of demographic data is largely voluntary. In order to preserve program participant confidentiality, participation rates below 3% are grouped and simply reported as “<3%.” Participation rates of zero are reported as such.

USDA Program Participation Reports

Farm Service Agency – Direct Farm Operating Loan Program



Participation excludes White male Non-Hispanic. Data groups based on modified Jenkins – Natural Breaks – allowing for zero participation indication. Participation Indicator: Program participation indicator are shown from the SCIMS databases, which include historical data from Participates in all FSX programs and may not accurately reflect current program participants.

Participation rate data exclude White non-Hispanic males; thus, the rates are the total participation for all socially disadvantaged groups in the Direct and Operating Loan Program (FSA) for FY 2004. Counties that are gray in color are those for which there were no program participants. Counties that are white in color are those for which there were no socially disadvantaged program participants. Each of the maps in the CD-ROM that is associated with this report follows this format.

Toward Improved Information Collection and Use

USDA is in the process of developing a standardized vehicle for Department-wide information collection of demographic data. USDA efforts to improve demographic data

collection began on June 23, 2004, with the publication of a 60-day notice in the Federal Register. That notice requested comments on USDA intentions to establish a standardized demographic data collection. After receipt of OMB approval, all programs in the Department will, for the first time, have the authority to ask their applicants and participants about their racial and ethnic background. A standardized collection will lead to better quality data, enhanced targeting of outreach programs and more accurate demographic reporting.

Standardized demographic data will allow USDA to determine if programs and services are reaching eligible recipients, partners, and other stakeholders. The data will allow USDA to administer programs from a proactive rather than a reactive position. The data will also allow USDA to better assess the accomplishment of program delivery mandates and objectives. Moreover, when allegations of discrimination in program participation arise, more definitive data will exist to assist in evaluating program participation rates and the validity of the discrimination allegations.

Specifically, demographic data can be used to:

- (1) perform analyses as one part of a civil rights complaint investigation to help determine if discrimination has occurred;
- (2) conduct mandated civil rights compliance reviews that help to ensure programs and activities are operated in a nondiscriminatory manner and in compliance with Federal laws and Departmental regulations;
- (3) compare to other demographic measures such as the Agriculture Census and the decennial census to suggest if there are groups or communities that are underserved by USDA's programs;
- (4) determine areas to target for product development, marketing, and outreach;
- (5) customize communication for improved customer service;
- (6) measure if the participation of traditionally underserved groups, such as racial/ethnic minorities, women, older farmers, and persons with disabilities, is improving or declining and make adjustments in product development and/or program delivery; and
- (7) improve coordination of outreach activities throughout the Department.

The data can also be used as a management tool to measure performance of USDA personnel.

By using the demographic data to identify eligible program participants, program managers and outreach coordinators will be able to plan for and target resources to improve the participation of socially disadvantaged farmers and ranchers in USDA programs.

Information Technology Infrastructure

USDA's new information technology infrastructure will make centralized tracking of demographic data possible. USDA is in the process of establishing a centralized demographic data collection that is built upon the common customer database. Phase 1 of the common customer database was launched in March 2004 with the USDA Customer Statement. The online report presents customers with a single document that is a compilation of information from databases from several agencies. Currently the system allows program participants to receive a single statement detailing all their business dealings with the Service Center Agencies. This statement will eventually be tied to all USDA programs. In Phase 2, the collection of demographic data will be incorporated into the common customer database. The common customer database will be used to generate demographic data reports as required by various statutes, including annual production of the 10708 participant data transmitted in this report.

Outreach Highlights

USDA has active Departmental and Agency outreach programs. The improved demographic data that will be collected in support of the Section 10708 reporting requirements will facilitate outreach improvements. Staff engaged in outreach activities will be able to identify specific socially disadvantaged groups or geographic areas for targeted efforts. Demographic data will contribute greatly to strengthening outreach efforts.

This section of the report highlights some of the many outreach efforts USDA has undertaken during the reporting period. Many of the outreach efforts, some completed and others ongoing, have provided valuable information and assistance to farmers and ranchers and other rural constituents.

Office of Outreach

Created in 1997, the Office of Outreach serves as the authority and key information source for planning, recommending and implementing USDA outreach-related activities and policies, and for evaluation of the progress of mission areas, as well as the integration and leveraging of efforts and resources.

Outreach Mission

USDA's Office of Outreach provides leadership, coordination, facilitation and expertise to internal and external partners to ensure equal and timely access to USDA programs and services for all constituents, with emphasis on the underserved.

Outreach Initiatives

The Office of Outreach serves as a catalyst for an effective outreach enterprise for the Department through which it provides meaningful access and service to the populace, especially the underserved and un-served. As the Department's "bridge to the people," interagency outreach efforts are coordinated to result in leveraged, strengthened and collective strategies that, by design, attend to the critical needs of limited-resource farmers and ranchers, and customers who are underserved.

The 2002 Farm Bill greatly enhanced the ability of USDA's Office of Outreach to facilitate and implement its mission. As discussed in other sections of this report, not all USDA programs have collected demographic data. Through a combination of the President's Management Agenda, reporting requirements, and clear leadership from the Secretary, the larger task of standardizing the collection of demographic data Department-wide is underway. This standardization will not only improve the collection of program participation data for this annual report but, for all programs that deliver a benefit to an individual.

The ability to provide Department-wide leadership and coordination will grow as each program collects standardized data and as more years of this data is collected.

In 2005, the Department held many 2007 Farm Bill Forums. These events, generally three hours or more in length, and held in communities where large numbers of farmers, ranchers and landowners resided, served as critical opportunities for those with an interest in agricultural enterprises, to contribute to the development of the upcoming 2007 Farm Bill. These forums are important because they provide an increased opportunity for USDA agencies to reach out to all current and potential constituents to ensure that their views and voices are heard. It is estimated that more than 10,000 individuals participated in the forums, held in 42 towns and cities.

The Center for Minority Farmers is a new program of the Office of the Assistant Secretary for Civil Rights. The Center has as its mission to increase opportunities for minority farmers to establish alternative business enterprises. The Center for Minority Farmers is committed in its responsibility to serve the small and limited resource farm community.

The Second Annual USDA Partners Meeting, held August 3-5, 2005, in Washington, DC, brought together community-based organizations from around the country to continue addressing issues germane to underserved farmers and ranchers. This ongoing outreach initiative has included every sector of organizations providing services to underserved farmers and ranchers. Future meetings will continue the partnerships with organizations providing services to this group and explore innovative assistance strategies to further advance the delivery of USDA programs and services.

Accomplishments

Publishing the first report of the requirements of Section 10708 is a noteworthy accomplishment of the Office of Outreach. The 10708 Report represents what may be among the first significant participation reports mandated by Congress that USDA has completed in recent years. The 2501 Report To Congress has yet to be completed, and Section 10708 is a measure introduced to provide some of the information required by Section 2501 (f) of the *Food, Agriculture, Conservation and Trade Act of 1990 (Public Law 10-624)*.

As a result of the Second Annual Partners Meeting, the Office of Outreach assisted with the coordination of very successful 2007 Farm Bill Forums held at Tuskegee University in Tuskegee, Alabama, and New Mexico State University in Las Cruces. The forum featured the Secretary and other high-ranking USDA officials, and several sitting and former members of Congress and state government. Among the participants at both these forums were underserved farmers and ranchers and other individuals with an interest in the upcoming 2007 Farm Bill, including Hispanic American, Native American and African American farmers and ranchers. Approximately 1300 individuals participated in these two forums.

Impact

Participation data from the 10708 Report will be used to help ensure that USDA agricultural programs and services serve well the Nation's citizenry. Future participation data, facts on constituent demographics--including new constituents and the changing needs of all constituents, will be used to drive the coordinated design and delivery of outreach services. Where applicable, the Office of Outreach will (1) coordinate the provision of outreach and technical assistance; (2) facilitate links between land-grant and/or minority serving educational institutions, community and/or faith-based organizations, and USDA agencies; (3) provide timely and accurate access to appropriate information about USDA programs and services; (4) safeguard the integrity of data collected on farm and ranch customers; and (5) foster the continuation of the farm legacy.

Moving Forward

The long-term goal of the Office of Outreach is to establish a data collection and analysis framework that will allow USDA Agencies to develop proactive plans to monitor and evaluate their program areas with the goals of ensuring that participating agencies (1) provide benefits effectively and efficiently to their intended recipients; (2) provide comparable access to programs and services over time to recipients; and (3) distribute benefits equitably among recipient groups.

The Office of Outreach will assist agencies in not only identifying specifically where underserved populations exist for one program but for multiple programs and even multiple agencies. The analysis of the program data will lead to the effective and efficient targeting of outreach resources by first identifying and quantifying the underserved by program, ensuring that the responsible agency incorporates those needs into their plans, and most importantly following up to see where goals are met and taking additional actions where they are not.

Over time, by continually analyzing the data and developing trends, the Office of Outreach will be able to collect a series of best practices for various geographical, demographic, and cultural groups. These best practices can then be shared with other programs or agencies that need to improve program delivery to such groups.

One other outgrowth from the demographic data collection is its use as a management tool for the Civil Rights Compliance Division. The Division will be able to look at program data and trends to assist them in identifying which offices might be a higher priority for compliance reviews. To be clear, a variance in the demographic data does not automatically mean there is a problem, but helps identify where the Department's other tools of both Outreach and Compliance might be needed.

In sum, to ensure that all USDA constituents, including minorities and the underserved, have the same opportunity to participate in USDA's programs and services, the Office of Outreach will:

- 1) Coordinate procedures to ensure that USDA programs and services are provided;
- 2) Strengthen USDA outreach efforts;
- 3) Coordinate program delivery;
- 4) Assist underserved constituent groups in collaboration with the Agency Outreach Coordinators, Environmental Justice Coordinators, National Outreach Council and State and Field Outreach Councils;
- 5) Develop policy to build relationships with community-based organizations;
- 6) Participate in the development of initiatives for farm workers with other Federal agencies and non-government organizations;
- 7) Monitor, analyze, and evaluate trends related to USDA programs and activities through mission area outreach plans and the work of agency liaisons and State outreach councils;
- 8) Develop and provide training and education on outreach function models, best practices, policies, strategic plans and goals for USDA employees and stakeholders;
- 9) Create a database which will document the actual data utilized by each Agency to establish a baseline for the number of underserved customers each Agency currently serves and the mechanisms needed to address problematic situations; and
- 10) Receive semi-annual reports on outreach efforts and progress in attaining participation goals, and use the results to determine process in improving access and enhancing service.

Highlights of Agency Outreach Efforts

Each agency maintains its own outreach staff. These staff members are not only experts at reaching specific populations, but they are also experts in agency programs. Following is a summary of recent outreach efforts of the six agencies reported herein.

A. Farm Service Agency

FSA is dedicated to the well-being of U.S. agriculture through efficient and equitable administration of farm commodity programs; farm operating, ownership, and emergency loans; conservation and environmental programs; and emergency and disaster assistance. These programs are major components of USDA's farm safety net, which helps producers maintain viable operations, effectively compete for sales of export commodities, and contributes to the year-round availability of low-cost, safe, and nutritious foods.

Outreach Mission

FSA outreach mission is two-fold: to conduct outreach activities directed toward ensuring (a) all customers have an equal opportunity to access programs, activities, and services, and (b) nondiscrimination in the delivery of its programs and services.

Outreach Initiatives

FSA's outreach activities are focused on improving service delivery to historically underserved populations. The Agency creates mechanisms to improve service to underserved populations, identifies new priorities and accomplishments, and establishes specific goals. Examples of outreach initiatives implemented include: training in agricultural production and marketing to youth in the Mississippi Delta, which resulted in an increase in loans to socially disadvantaged youth loans from 1,213 in FY 2003 to 1,251 in FY 2004; outreach funds extended to limited resource Asian farmers and Hispanic producers in remote areas of Texas and New Mexico; outreach to Native American producers via the National FSA American Indian Targeted Credit Outreach Initiative; and a campaign to inform socially disadvantaged producers about major changes in the county committee election process and to encourage them to nominate and elect socially disadvantaged farmers and ranchers for FSA County Committees.

Accomplishments

Accomplishments of FSA outreach initiatives include:

- Funds loaned to socially disadvantaged applicants as a percentage of all loans increased by 1.5 percent (from 9.5 to 11 percent) in FY 2004;
- Funds loaned as a percentage of all loans increased by 3 percent (from 24 to 27 percent) in FY 2004;
- Average processing time for direct loan applications decreased for Asian/Pacific Islanders from 25 to 15 days, Black/African American farmers from 17 to 13 days, Hispanic farmers from 23 to 22 days, and Native American applicants from 16 to 15 days; and
- Approximately 325 minorities, including 136 non-minority women, were nominated for county committee elections in 300 counties selected for special emphasis. We note that 40 Hispanic producers, 30 Native American producers, and 28 Black producers won election; and more than 600 minorities were appointed as FSA County Committee Advisors to committees lacking minority members in counties with substantial minority producers.

Impact

We have increased socially disadvantaged groups' positive interaction with and exposure to FSA processes, and ensured that socially and economically disadvantaged groups seeking to participate in USDA programs receive timely and meaningful assistance on program requirements. We have increased the number of socially disadvantaged farmers and ranchers as a percentage of all customers, increased the number of minorities serving on county committees, and reduced the time required for Agency program benefits to be provided to minority customers. These results clearly demonstrate effective outreach efforts.

Moving forward

FSA plans to begin collecting more detailed and specific information on the race, ethnicity, gender, national origin, and age of participants in all of its programs, and whether participants are disabled as soon as OMB approves USDA's data collection authority. In order to collect this information and improve its measurement of actual outreach results, FSA has developed software that enables the collection, storage and use of information reported to USDA on the participation of socially disadvantaged farmers

and ranchers according to race, ethnicity, and gender using the FSA SCIMS. Information collected in this system will show those areas where outreach efforts should be focused to make sure that small farmers and farmers who are members of protected groups because of race, color, national origin, sex, religion, age, disability, political beliefs, or marital or family status, are fully represented in FSA programs.

FSA's Strategic Plan contains four specific outcomes and 22 strategic initiatives specifically tied to civil rights. These goals were established in an effort to hold FSA employees accountable to civil rights goals. For example, the Deputy Administrator for Farm Loan Programs has established goals to increase: the percentage of funds obligated to minorities and women or socially disadvantaged applicants by 25 percent over a 5-year period from FY 2001, and increase funds obligated to beginning farmers and ranchers by 20 percent over a 5-year period from FY 2001. Farm Loan Programs has established goals to reduce direct and guaranteed application processing times to all applicants.

In addition FSA has several large and important outreach initiatives begun for FY 2005 and beyond. They include: (1) maximizing SDA participation in the Tobacco Transition Payment Program, by directly notifying underserved tobacco growers and quota holders of the program, advertising in Spanish, posting Spanish material on the Internet, and through meetings sponsored by the National Black Farmers Association; (2) a partnership with Minorities in Agriculture and Natural Resources and Related Sciences (MANRRS) to expand diversity of workers in agriculture, natural resources, and related sciences, and place graduate and/or undergraduate students with USDA's Student Career Experience Program and the Career Intern Program at FSA field locations; (3) a Customer Service Comment Card pilot program in 55 counties, allowing customers to provide comments on the services they receive; (4) the Minority Farm Register designed to enhance the Agency's ability to reach out to minority and underserved farmers and ranchers; (5) the Office of Minority and Socially Disadvantaged Farmer Assistance, which operates a "help line" to address producer concerns and inquiries regarding FSA programs (operators communicate in English and Spanish); and (6) a Women's Outreach Handbook for use in providing outreach to women.

B. National Resources Conservation Service

NRCS provides national leadership in a partnership effort to help the Nation's people conserve, maintain, and improve America's natural resources and environment. NRCS provides leadership for conservation activities on the Nation's 1.6 billion acres (Data Source: NRCS National Resources Inventory) of private and other non-Federal land. The Agency provides technical assistance and information to individuals, communities, tribal

governments, Federal, State and local agencies, and others; and partners with the staff of local conservation districts and state agencies, and with volunteers. NRCS also offers financial assistance, surveys the Nation's soils, inventories natural resources and records their conditions and use, provides water supply forecasts for Western States, and develops technical guidance for conservation planning. The benefits of these activities include not only sustained and improved agricultural productivity, but also cleaner, safer, and more dependable water supplies; reduced damage from floods and other natural disasters; and an enhanced resource base to support continued economic development, recreation, and other purposes.

Outreach Mission

NRCS' Outreach Division provides leadership in a partnership effort to ensure that the delivery of NRCS programs and services are made accessible to all customers, with emphasis on the underserved.

Outreach Initiatives

NRCS has a long history of working with all people to protect and conserve our natural resources. The Agency has used innovative outreach strategies to reach historically underserved land users, owners, and managers, and sought new authorities for enhance outreach activity. Internal structures, such as Civil Rights Compliance Reviews, monitor program delivery efforts in the Agency to ensure outreach to minorities and other historically underserved customers.

As a result of analyses of historical trends and recent changes in the authorizing legislation, NRCS has implemented program policy and procedural changes to mitigate potential negative impacts for protected group members. NRCS successfully implemented the limited resource farmer and rancher provisions of the 2002 Farm Bill. Consequently, NRCS provided up to 90% cost-share to more than 1,700 contracts signed by limited resource farmers and ranchers participating in the Environmental Quality Incentives Program (EQIP). The contracts amounted to more than \$32 million in cost-share assistance. Another tool for encouraging diversity is the use of Conservation Innovation Grants Program authorized under EQIP. Funds for this program were used to award competitive grants to non-federal government or non-governmental organization, tribes, and individuals. Competition emphasized projects that have a goal of providing benefits over a large geographic area. In FY 2004, the Secretary announced the availability of \$15 million for these grants, with 10 percent or \$1.5 million being set aside for beginning and limited resource farmers and ranchers and Indian Tribes.

Additionally, NRCS is currently exploring various tools and options to develop an Agency-wide policy that mirror *Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency (LEP)*. The expected outcome of this initiative is to improve access to NRCS services for constituents with limited English proficiency.

Accomplishments

The Agency's Performance Results System is used to capture a variety of outreach efforts and achievements. It is monitored on a monthly basis through teleconferences held with Outreach Coordinators throughout the Agency.

NRCS provided financial and technical assistance to minority employee organizations, community-based organizations and minority-serving institutions that partnered with USDA to (a) increase program and market outreach priorities and (b) develop effective guidelines relating to agency program participation to approximately 250 participants at the Southeast Regional Tribal on the Mississippi Band of Choctaw Reservation held in Philadelphia, Mississippi. NRCS also disseminated Agency program information to approximately 36 participants during a Tri-State Small and Limited Resource Farmer Conference held in Atlanta, Georgia. NRCS participated in the first National Hispanic Farmers Conference in San Antonio, Texas. During the conference, NRCS' Outreach Division staffed an outreach exhibit that attracted 60 potential clients. Additionally, NRCS participated in the Second Annual Partners Meeting held in Washington, D.C., providing an overview of Agency programs to the approximately 125 participants representing various tribal nations, government and non-government entities, community-based organizations, and others interested in farmer and rancher issues, and serving as conversationalists in several of the conversations about issues affecting small and limited resource farmers and ranchers.

Impact

NRCS field employees are expected to continuously reach out to potential conservation customers on a daily basis. This has enabled NRCS to increase its partnership efforts from the Department level to the field level, and to build inter-agency outreach alliances, thus increasing conservation program knowledge and understanding.

NRCS has effectively collaborated with various land grant colleges and universities, resulting in an increase in program technical assistance, program awareness, and conservation employment opportunities. This effort was a result of the NRCS pilot Tribal Scholars Program and Asian Pacific Islander Scholars Program. In addition, the continuation of NRCS' participation in the USDA/1890 Scholars Program and the USDA

Public Service Scholars Program has added to the effectiveness of generating and building innovative and diverse partnerships.

Moving forward

NRCS has established an overall performance goal that by FY 2008, 467,000 members of minority, underserved, and non-traditional groups will receive NRCS conservation assistance annually to help them plan and apply conservation techniques on their lands and the lands that they manage. Also, by FY 2008, 150,000 women who are primary operators of an agricultural enterprise are expected to receive technical assistance in planning or applying conservation on their operations. The high numbers in NRCS performance goals are just one indication of its commitment to proactive outreach targeting traditionally underserved farmers and ranchers.

NRCS policy mandates, through its General Manual, that all federally conducted and assisted programs are accessible equally to all individuals regardless of their national origin or their ability to speak and understand the English language. Communication strategies include contracting for interpreter services and producing multi-language informational brochures and videos. NRCS staff is positioned throughout the Agency to address and distribute information to local media resources in various languages, brochures, and videos.

Research, Education, and Economics

The REE mission area is dedicated to the development of (1) a safe, sustainable, competitive U.S. food and fiber system and (2) strong communities, families, and youth. Through the Agricultural Research Service (ARS), the Cooperative State Research, Education, and Extension Service (CSREES), the Economic Research Service (ERS), and the National Agricultural Statistics Service (NASS), REE provides integrated education, research, analysis, and data to benefit consumers and promote agricultural prosperity and sustainable agricultural practices. Of the agencies under the REE mission area only the CSREES operates programs that report under Section 10708.

C. Cooperative State Research, Education, and Extension Service

CSREES, in partnership with land-grant universities (over 130 located in every state and territory) and other public and private organizations, provides the focus to advance a global system of extramural research, extension, and higher education programs in the

food and agricultural sciences and related environmental, social, and human sciences. In FY 2004 CSREES administered a Federal budget of \$1.1 billion, allocated through competitive grant processes and formula funds, to assist about 53 line-item programs. Within this broad portfolio, the following four programs, with FY 2004 appropriations (rounded), focus specifically on outreach to farmers and ranchers. The programs are the: (1) Sustainable Agriculture Research and Education Program (SARE), \$12,222,000; (2) Risk Management Education (RME) Program, \$5,000,000; (3) Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers Competitive Grant Program (OASDFRCGP or 2501 Program), \$5,935,000; and (4) Farm Safety Outreach (FSO), \$802,000.

Outreach Mission

CSREES advances knowledge for agriculture, the environment, human health and well-being, and communities through national program leadership and federal assistance. While only a few of the programs managed by CSREES are actually covered by the requirements of Section 10708, the Agency manages many programs that place a specific emphasis on minority and socially disadvantaged populations. For example, the Agency administers a broad portfolio of programs designed specifically to enhance the research, extension and teaching capacity of the Historically Black Land Grant Universities (1890), the Tribal Land Grant Colleges (1994), the Hispanic-Serving Institutions, and the Alaska and Hawaii-native Serving Institutions. CSREES also supports workshops to strengthen the ability of minority-serving institutions to manage Federal funds and to strengthen their capacity to compete for grant funding.

Outreach Initiatives

CSREES has four programs that emphasize improving services to historically underserved farmers and ranchers. SARE provides Research and Education grants and Producer Grants to advance knowledge and help farmers and ranchers adopt practices that enhance profits, environmental stewardship, and quality of life. RME grants support development of risk management educational programs and materials to help producers mitigate and adjust to risk. The 2501 Program provides grants to public and private organizations to train and assist socially disadvantaged farmers and ranchers to own and operate farms and ranches and to participate equitably in the full range of agricultural programs offered by USDA. Through the FSO Program, state university Extension specialists in all 50 states and 5 territories develop and disseminate programs in collaboration with public and private sector organizations to mitigate the cost of agricultural deaths and injuries.

Accomplishments

Through the four programs outlined above, a total of \$23.959 million was awarded to 377 projects and was disbursed to all states and territories through formula funds (See Chart A below).

CHART A

2004 CSREES Funding Section 10708 Covered Programs		
Programs	Number of Projects	Total Funding
SARE	200	12,222,000
2501	22	5,935,000
FSO	55	802,000
RME	100	5,000,000
Totals	377	23,959,000

Examples of SARE's 200 projects include support for a regional SARE Office of Minority Outreach located at an 1890 institution, educational travel opportunities for minority farmers, and immigrant farming projects. The RME program places a priority on funding programs targeted to underserved audiences and minority serving institutions (such as 1890 institutions). Through the 100 RME projects funded in FY 2004, the program served Hmongs, Hispanics, Native Americans, African Americans, women in agriculture and operators of small farms. The 2501 Program funded 22 projects, all of which targeted African Americans, Hispanics, Native Americans, Asians, and Women. The FSO program provided formula funds to all 1862 land grant institutions. Sixty-two new materials or publications conceptualized and designed to reach minority and underserved populations were produced in 34 States.

Impact

As a result of the 2501 Program, increased participation in USDA programs has occurred. Six States reported a direct economic impact of \$13,483,291 to socially disadvantaged producers, seven States reported increases of an average of 10% in household incomes, and two States reported reductions in delinquencies and/or foreclosure rates within the Farm Service Agency. In general, those farmers who participated in this program farm longer, acquire loans sooner, and are less likely to go out of business.

Moving Forward

Future CSREES outreach plans seek to (a) ensure that underserved and disadvantaged populations are beneficiaries of competitively funded projects and formula funded

programs; (b) continue funding minority serving institutions; (c) simplify grant applications and processes; (d) provide training and technical assistance to write and submit grants, and administer and evaluate programs; and (e) ensure representation from underserved and disadvantaged populations on committees, boards, review committees, and training staff.

The underserved and disadvantaged populations can expect increased financial benefits, along with improved services, educational programs, and research projects. Thereby, CSREES will continue to demonstrate its sincere commitment to provide outreach and assistance to underserved and disadvantaged populations, especially farmers and ranchers.

D. Risk Management Agency (RMA)

RMA promotes, supports, and regulates sound risk management solutions to preserve and strengthen the economic stability of America's agricultural producers. As part of that mission, RMA operates and manages the Federal Crop Insurance Corporation (FCIC).

RMA manages USDA's crop insurance policies, underwriting terms and FCIC provides subsidization and reinsurance. RMA also coordinates a risk management outreach and education program to assist producers and agribusinesses in understanding and managing increased risks associated with production, marketing, financial, legal and human resources. RMA is committed to ensuring that all farmers and ranchers—including women, minorities and other traditionally under-served—can access and participate in all RMA programs and activities for which they are eligible.

Outreach Mission

RMA outreach programs consist of the 1) Federal Crop Insurance, 2) Community Outreach and Assistance, 3) Research and Development Partnership and 4) Commodity Partnership for Risk Management Education and Crop Insurance in Targeted States.

Through outreach to women, minorities, and other traditionally underserved groups, RMA works to identify and address barriers to provide equal access and participation.

RMA's mission is assure that every farmer and rancher has (a) equal access to all risk management tools and programs, and all constituents and potential constituents are treated with dignity and respect; (b) better service to the traditionally underserved through partnerships and collaborations with the public and private sector, land grant system, and community based organizations; (c) dialog and partnerships to collectively work toward improving risk management strategies by providing the opportunity to

review RMA programs and ensure they meet the needs of American agriculture; (d) increased awareness and effective use of risk managements tools; (e) risk management education to help farmers and ranchers better manage their risks; (f) enhanced and strengthened safety net for the traditionally underserved; (g) informational materials and messages in formats geared to underserved customers; (h) financial assistance to limited resource farmers and ranchers; and (i) improved customer service through cultural awareness and civil rights/outreach training.

Outreach Initiatives

RMA utilizes a competitive process to fund and support a wide range of innovative and nontraditional outreach and assistance initiatives to create and enhance service delivery to underserved and socially disadvantaged populations

Through partnerships and collaborations with land grant institutions, Hispanic Serving Institutions, farmers and ranchers associations, state departments of agriculture, and other non-profit organizations, limited resource and socially disadvantaged producers and ranchers receive risk management training as well as information on opportunities and assistance necessary to understand the kinds of risks addressed by existing and emerging risk management tools. The risk management training and information features appropriate use of existing and emerging risk management tools needed to make sound risk management decisions.

RME administers the Commodity Partnership Agreements Program and the Targeted States Cooperative Agreements Program. These programs provide risk management education to producers on crop insurance, and financial, marketing, and production risks. RME targets its risk management education to underserved states and specialty crops and underserved commodities.

The Research & Development Partnership Initiatives seek to improve the profitability of targeted farms by developing integrated, systems-based tools for successfully managing the most significant production and financial risks from the research perspectives.

Accomplishments

The RME provided crop insurance, financial, marketing, and production risks training to thousands of producers. Over 400,000 farmers and ranchers have received information and assistance necessary to access and make informed decisions regarding participation in RMA programs and activities. This assistance was provided via 60 outreach projects totaling approximately \$5.5 million distributed throughout 40 states. Over one million small and limited resource farmers and ranchers, including the traditionally underserved,

received critical information on managing risk. Farmers and ranchers received management training, success strategies, contacts, networks, and other resources useful in sustaining their farming operations and make them viable for future generations.

Impact

Higher crop insurance participation rates in states with large numbers of the underserved is testimony to increased producer awareness of crop insurance resulting from RMA's outreach efforts targeted to the underserved.

Moving Forward

RMA will continue its ongoing outreach initiatives in FY 2005. Approximately \$5 million are expected to be used to provide assistance leading to increased awareness of the importance of crop insurance in the management plans of underserved farmers and ranchers. We will continue to increase and enhance program delivery, improve participation rates, and signal RMA's dedication to equal access and participation to all farmers and ranchers.

E. Rural Development (RD)

The RD Mission Area consists of the Rural Housing Service (RHS), the Rural Business Cooperative Service (RBS), and the Rural Utilities Service (RUS). These RD agencies administer programs that are designed to meet the diverse needs of rural communities and to help them obtain the financial and technical assistance needed to improve the quality of life in rural America, and help individuals and businesses compete in the global marketplace. These programs consist of a variety of loan, loan guarantee, and grant programs, plus technical assistance, in the areas of business and industry; cooperative development; rural housing; community facilities; water and waste disposal; electric power; and telecommunications, including distance learning and telemedicine.

Rural Development loan programs, with a cumulative portfolio of approximately \$90 billion, are delivered through a national office for each agency, 47 RD State Offices, and a network of other field offices.

RHS is the only RD agency contributing data to this report. The other agencies are not authorized to collect the required data.

Outreach Mission

The mission of RHS is to improve the quality of life in rural America and help build competitive, vibrant rural communities through its community facilities and housing programs. Two of the key components of a healthy community are decent and affordable housing and the availability of essential community services such as fire protection and health care. RHS has financed over 2 million single-family homes since the inception of its home ownership program. The rural housing programs are an essential part of the President's National Homeownership Initiative. In the last 20 years, the community facilities program has enabled over 7,000 communities to provide basic community services for their citizens.

RD's housing programs support its mission of increasing economic opportunity and improving the quality of life for all rural Americans. By providing decent, safe and affordable housing to all rural Americans, RD supports a critical aspect of rural Americans' quality of life and community.

The mission of RUS is to serve a leading role in improving the quality of life in rural America by administering its electric, telecommunications, and water and waste programs in a service-oriented, forward-looking and financially responsible manner. RUS programs provide rural residents access to modern, affordable telecommunications, water, wastewater disposal, and electric service. These essential infrastructure systems are the foundation through which rural Americans become contributors in the global economy.

RBS' mission is to enhance the quality of life for all rural Americans by providing leadership in building competitive businesses and sustainable cooperatives that can prosper in the global marketplace. RBS accomplishes this mission by investing its financial resources and technical assistance in businesses and cooperatives, and by building partnerships that leverage public, private, and cooperative resources to create jobs and stimulate rural economic activity.

Outreach Initiatives

RD has only indirect control over the leasing of its farm labor housing. Consequently, achieving a diverse tenant base is an ongoing challenge. RD has two primary ways of affecting its tenant base. Locating new rental units in rural areas with large minority populations is one. The other is offering rental assistance to its prospective or existing minority tenants. Management of RD's multi-family housing rental projects is under the direct control of the borrowers.

Accomplishments

Safe, accessible, sanitary, and affordable housing for farm and ranch workers is key to their health, reliability, and job satisfaction, and to the growth and vitality of the communities in which they live and work. RD provided 12,458 housing units during FY 2004 through its Section 514/516 Farm Labor Housing program.

Impact

The work of this Nation's farm laborers is essential to the success of its agricultural producers. The farm laborer's quality of life ultimately impacts the quantity and quality of agricultural production our Nation's farmers and ranchers are able to achieve. Approximately 32.8 percent of the 12,458 housing units were assigned to females. Also, the tenants were 76.7 percent Hispanic, significantly greater than the 5.8 percent eligible Hispanic rural population. The racial composition of the program's tenants is proportionately close to that of the eligible U. S. rural population.

Moving Forward

RD, via RHS, will continue to position its farm labor housing projects in rural areas with the goal of serving the most diverse eligible populations. Strides are being made to enhance this process through the use of geographic information systems (GIS). GIS will allow RD to compare the locations of currently served populations with others located in eligible rural areas.

In partnership with non-profits, Indian tribes, State and Federal government agencies, and local communities, RD creates packages of technical assistance and loan and grant funds to assist rural communities and individuals. In the years to come, it hopes to strengthen these partnerships as well as its relationships with its borrowers and grantees.

Appendix A: Legal Background

Section 10708 of the 2002 Farm Bill, P.L. 107-171, 7 U.S.C. § 2279-1 is designed to ensure transparency and accountability for socially disadvantaged farmers and ranchers in USDA programs established for farmers and ranchers. Socially disadvantaged farmers and ranchers are defined as farmers and ranchers who belong to a group “whose members have been subjected to racial and ethnic prejudice because of their identity as members of a group without regard to their individual qualities.” See 7 U.S.C. § 2279(e)(1) and (2). USDA has by regulation further defined the term “socially disadvantaged farmer or rancher” to include groups subjected to gender prejudice as well. Thus, socially disadvantaged groups include women, African Americans, Native Americans, Alaskan Natives, Hispanic Americans, Asian Americans and Pacific Islanders. See 7 C.F.R. § 1943.104.

Specifically, Section 10708 requires the Secretary to compile and publicly disclose the participation rates for socially disadvantaged farmers and ranchers in the covered programs. This provision is designed to further ensure nondiscrimination in USDA programs. As Congress did not specifically define or identify the programs covered by the Section 10708 requirement, USDA has determined that the requirement covers only those programs established specifically for the benefit of farmers and ranchers. The requirement does not apply to those programs in which farmers and ranchers may participate along with other members of the general public. However, there are other reporting requirements, discussed below, which do apply to the broader category of USDA programs and help to ensure nondiscrimination in all of USDA’s programs.

Section 10708 amends and improves upon the reporting requirements established in Section 2501(c) of the Food, Agriculture, Conservation, and Trade Act of 1990, 7 U.S.C. § 2279(c) (hereafter “Section 2501(c)”). Section 2501(c) contains a separate reporting requirement based on the participation of socially disadvantaged farmers and ranchers in all “agriculture programs.” Section 2501(e)(3) of the act defines “agriculture programs” as those programs established by five specific statutes as well as programs established by any other statute “the Secretary deems appropriate.” See 7 U.S.C. § 2279(e)(3). Thus, the reporting requirements of Section 2501(c) apply to a significantly broader array of USDA programs than those covered by Section 10708.

A copy of section 10708 is provided here:

SEC. 10708. TRANSPARENCY AND ACCOUNTABILITY FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS; PUBLIC DISCLOSURE REQUIREMENTS FOR COUNTY COMMITTEE ELECTIONS.

(a) **TRANSPARENCY AND ACCOUNTABILITY FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS.**—The Food, Agriculture, Conservation, and Trade Act of 1990 is amended by inserting after section 2501 (7 U.S.C. 2279) the following: “SEC. 2501A. TRANSPARENCY AND ACCOUNTABILITY FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS.

“(a) **PURPOSE.**—The purpose of this section is to ensure compilation and public disclosure of data to assess and hold the Department of Agriculture accountable for the nondiscriminatory participation of socially disadvantaged farmers and ranchers in programs of the Department.

“(b) **DEFINITION OF SOCIALLY DISADVANTAGED FARMER OR RANCHER.**—In this section, the term ‘socially disadvantaged farmer or rancher’ has the meaning given the term in section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e)).

“(c) **COMPILATION OF PROGRAM PARTICIPATION DATA.**—

“(1) **ANNUAL REQUIREMENT.**—For each county and State in the United States, the Secretary shall compute annually the participation rate of socially disadvantaged farmers and ranchers as a percentage of the total participation of all farmers and ranchers for each program of the Department of Agriculture established for farmers or ranchers.

“(2) **REPORTING PARTICIPATION.**—In reporting the rates of participation under paragraph (1), the Secretary shall report the participation rate of socially disadvantaged farmers and ranchers according to race, ethnicity, and gender.”

(b) **PUBLIC DISCLOSURE REQUIREMENTS FOR COUNTY COMMITTEE ELECTIONS.**—Section 8(b)(5) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)(5)) is amended by striking subparagraph (B) and inserting the following:

“(B) **ESTABLISHMENT AND ELECTIONS FOR COUNTY, AREA, OR LOCAL COMMITTEES.**—

“(i) **ESTABLISHMENT.**—

“(I) **IN GENERAL.**—In each county or area in which activities are carried out under this section, the Secretary shall establish a county or area committee.

“(II) **LOCAL ADMINISTRATIVE AREAS.**—The Secretary may designate local administrative areas within a county or a larger area under the jurisdiction of a committee established under subclause (I).

“(ii) **COMPOSITION OF COUNTY, AREA, OR LOCAL COMMITTEES.**—A committee established under clause (i) shall consist of not fewer than 3 nor more than 5 members that—

“(I) are fairly representative of the agricultural producers within the area covered by the county, area, or local committee; and

“(II) are elected by the agricultural producers that participate or cooperate in programs administered within the area under the jurisdiction of the county, area, or local committee.

“(iii) ELECTIONS.—

“(I) IN GENERAL.—Subject to subclauses (II) through (V), the Secretary shall establish procedures

for nominations and elections to county, area, or local committees.

“(II) NONDISCRIMINATION STATEMENT.—Each solicitation of nominations for, and notice of elections of, a county, area, or local committee shall include the nondiscrimination statement used by the Secretary.

“(III) NOMINATIONS.—

“(aa) ELIGIBILITY.—To be eligible for nomination and election to the applicable county, area, or local committee, as determined by the Secretary, an agricultural producer shall be located within the area under the jurisdiction of a county, area, or local committee, and participate or cooperate in programs administered within that area.

“(bb) OUTREACH.—In addition to such nominating procedures as the Secretary may prescribe, the Secretary shall solicit and accept nominations from organizations representing the interests of socially disadvantaged groups (as defined in section 355(e)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e)(1))).

“(IV) OPENING OF BALLOTS.—

“(aa) PUBLIC NOTICE.—At least 10 days before the date on which ballots are to be opened and counted, a county, area, or local committee shall announce the date, time, and place at which election ballots will be opened and counted.

“(bb) OPENING OF BALLOTS.—Election ballots shall not be opened until the date and time announced under item (aa).

“(cc) OBSERVATION.—Any person may observe the opening and counting of the election ballots.

“(V) REPORT OF ELECTION.—Not later than 20 days after the date on which an election is held, a county, area, or local committee shall file an election report with the Secretary and the State office of the Farm Service Agency that includes— “(aa) the number of eligible voters in the area covered by the county, area, or local committee; “(bb) the number of ballots cast in the election by eligible voters (including the percentage)

“(cc) the number of ballots disqualified in the election;

“(dd) the percentage that the number of ballots disqualified is of the number of ballots received;

“(ee) the number of nominees for each seat up for election;

“(ff) the race, ethnicity, and gender of each nominee, as provided through the voluntary self-identification of each nominee; and

“(gg) the final election results (including the number of ballots received by each nominee).

“(VI) NATIONAL REPORT.—Not later than 90 days after the date on which the first election of a county, area, or local committee that occurs after the date of enactment of the Farm Security and Rural Investment Act of 2002 is held, the Secretary shall complete a report that consolidates all the election data reported to the Secretary under subclause (V).

“(VII) ELECTION REFORM.—

“(aa) ANALYSIS.—If determined necessary by the Secretary after analyzing the data contained in the report under subclause (VI), the Secretary shall promulgate and publish in the Federal Register proposed uniform guidelines for conducting elections for members and alternate members of county, area, and local committees not later than 1 year after the date of completion of the report.

“(bb) INCLUSION.—The procedures promulgated by the Secretary under item (aa) shall ensure fair representation of socially disadvantaged groups described in subclause

(III)(bb) in an area covered by the county, area, or local committee, in cases in which those groups are underrepresented on the county, area, or local committee for that area.

“(cc) METHODS OF INCLUSION.—Notwithstanding clause (ii), the Secretary may ensure inclusion of socially disadvantaged farmers and ranchers through provisions allowing for appointment of 1 additional voting member to a county, area, or local committee or through other methods.

“(iv) TERM OF OFFICE.—The term of office for a member of a county, area, or local committee shall not exceed 3 years.

“(v) PUBLIC AVAILABILITY AND REPORT TO CONGRESS.—

“(I) PUBLIC DISCLOSURE.—The Secretary shall maintain and make readily available to the public, via website and otherwise in electronic and paper form, all data required to be collected and computed under section 2501A(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 and clause (iii)(V) collected annually since the most recent Census of Agriculture.

“(II) REPORT TO CONGRESS.—After each Census of Agriculture, the Secretary shall report to Congress the rate of loss or gain in participation by each socially disadvantaged group, by race, ethnicity, and gender, since the previous Census.”

In addition to the programmatic statutory reporting requirements, USDA is required to report on the rate of participation of its customers by race, national origin, gender, and disability under its long-standing civil rights responsibilities. These responsibilities apply to virtually every USDA agency and program. For purposes of the civil rights requirements, the more than 300 programs for which USDA is responsible are divided into two categories: 1) federally assisted programs and activities funded by USDA but operated by other entities including State and local governments, universities and colleges, and private enterprises; and 2) federally conducted programs and activities funded and operated by USDA.

Federally Assisted Programs and Activities

The federally assisted programs and activities are those programs where assistance (generally financial) is provided to a third party which in turn delivers a benefit to the ultimate recipient. The federally assisted programs and activities are governed by the following statutes: (1) Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000d et seq.; (2) Title IX of the Education Amendments of 1972, as amended, 20 U.S.C. § 1681 et seq. (applies only to federally assisted education and training programs and activities); (3) Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 794 et seq.; and (4) Age Discrimination Act of 1975, as amended 42 U.S.C. § 6101 et seq. Together, these acts prohibit discrimination on the basis of race, color, national origin, sex, disability, and age in any program receiving Federal financial assistance. These statutes are designed to ensure that Federal dollars are not spent by third parties in a discriminatory manner and that the intended beneficiaries of the program dollars do not face discrimination in the access to or benefits of these programs or activities. One method for ensuring compliance with these statutes is the proper collection and reporting of demographic data on applicants for and participants in these programs.

Although the assisted program statutes differ in the kinds of discrimination prohibited, the courts and the Federal Government apply similar compliance and enforcement procedures to all four statutes, including data collection and reporting requirements. The Supreme Court has held repeatedly that Congress intended to establish a consistent prohibition against discrimination on the basis of race, national origin, color, sex, disability, and age in federally assisted programs. See, e.g., *National Collegiate Athletic Association v. Smith*, 525 U.S. 459, 470, n.3 (1999); *U.S. Department of Transportation v. Paralyzed Veterans*, 477 U.S. 597, 600, n.4 (1986); *Cannon v. University of Chicago*, 441 U.S. 677, 694 (1979).

Congress furthered the principle of a consistent enforcement structure by amending the four statutes uniformly in two subsequent statutes. See Rehabilitation Act Amendments of 1986, 100 Stat. 1845 (abrogating States' Eleventh Amendment immunity under Title VI, Title IX, Section 504, and the Age Discrimination Act); Civil Rights Restoration Act of 1987, Pub. L. No. 100-259, 102 Stat. 28 (clarifying the definition of "programs or activities" under Title VI, Title IX, Section 504, and the Age Discrimination Act).

² *The Food Stamp Act of 1964 includes its own nondiscrimination provisions that prevent discrimination in the Food Stamp program on the bases of race, sex, religious creed, national origin, or political beliefs. (FOOTNOTE)*

Executive Order 12250, Leadership and Coordination of Nondiscrimination Laws

The President, under Executive Order 12250, issued November 2, 1980, has vested in the Attorney General leadership in implementing the various laws prohibiting discriminatory practices in programs receiving Federal financial assistance. See Executive Order No. 12250, § 1-101, reprinted in 42 U.S.C. § 2000d-1. This Executive Order covers the following nondiscrimination laws: Title VI; Title IX; and Section 504. Although Executive Order 12250 does not explicitly include the Age Discrimination Act, in practice the U.S. Department of Justice (DOJ) incorporates age discrimination in its administrative structure to coordinate all of the prohibitions against discrimination in federally assisted programs.

Specifically, DOJ's regulation coordinating the implementation and enforcement of Executive Order 12250 requires Federal agencies to "provide for the collection of data and information from applicants for and recipients of Federal assistance sufficient to permit effective enforcement of Title VI." See 28 C.F.R. § 42.406(a). DOJ's coordination regulation also allows Federal agencies to collect additional data that is readily available and can be compiled with reasonable effort. See 28 C.F.R. § 42.406(c). USDA's own nondiscrimination regulations require compliance with and enforcement of the statutes listed above. See 7 C.F.R. Part 15.

Federally Conducted Programs

Federally conducted programs are those programs where a benefit is delivered to an individual directly by a Federal agency. There are two primary statutory provisions that apply certain nondiscrimination provisions to federally conducted programs and activities: 1) Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 794 (nondiscrimination on the basis of disability in all federally conducted programs and activities); 2) Equal Credit Opportunity Act, 15 U.S.C. § 1691 (nondiscrimination on the basis of race, color, religion, national origin, sex or marital status, or age (provided the applicant has the capacity to contract) in all credit transactions).

In addition to the above statutory requirements, USDA voluntarily established its own nondiscrimination regulations shortly after the passage of Title VI, in order to ensure nondiscrimination in its federally conducted programs. USDA's policy, adopting Title VI's principles of nondiscrimination for programs and activities conducted by USDA, was first established in 1964 (See 29 Fed. Reg. 16966) (creating 7 C.F.R. Part 15, Subpart b, referring to nondiscrimination in direct USDA programs and activities, now found at 7 C.F.R. § 15d).

The foundation and need for a data collection policy to support the nondiscrimination provisions is supported by USDA's long-standing efforts to treat its customers equitably and assess its progress in serving all customers, regardless of race, ethnicity, sex, or disability.

Executive Order 13160, Nondiscrimination on the Basis of Sex, Color, National Origin, Disability, Religion, Age, Sexual Orientation, and Status as a Parent in Federally Conducted Education and Training Programs

USDA's voluntary efforts to ensure nondiscrimination in its conducted programs and activities have been further supported by Executive Order 13160, issued on June 23, 2000, and applying additional nondiscrimination requirements on all federally conducted education and training programs and activities throughout the Government. This Executive Order was issued to ensure that the Federal Government holds itself "to at least the same principles of nondiscrimination in educational opportunities as it applies to the education programs and activities of State and local governments, and to private institutions receiving Federal financial assistance." See Executive Order No. 13160, § 1-101, reprinted in 42 U.S.C. § 2000d. Through this executive order, discrimination on the basis of race, sex, color, national origin, disability, religion, age, sexual orientation, and status as a parent is prohibited in federally conducted education and training programs and activities.

History of Collecting and Reporting Data

The first USDA policy for collecting and reporting race, ethnicity, sex, and disability data was established through a 1969 Secretary's Memorandum and was subsequently expanded in Secretary's Memorandum No. 1662, on July 27, 1970. In September 1993, the provisions of the Secretary's 1969 Memorandum were updated and expanded by Departmental Regulation 4300-4, Civil Rights Impact Analysis (CRIA). This internal regulation requires all USDA agencies to collect program participant and employment data by race, sex, national origin, disability, and age.

The CRIA is a tool for agencies and USDA to assess the impact on all protected group members as a result of proposed regulatory and budgetary issuances as well as proposed reorganizations and advisory committee actions. The CRIA analysis involves an assessment of the data on program participants. The civil rights policy of the USDA requires each agency to analyze the civil rights impact(s) of policies, actions, or decisions that will affect federally conducted and federally assisted programs and activities and the USDA workforce. In order to assess the civil rights impact, data on programs, activities, and employment must be analyzed in a consistent manner with respect to the race, ethnicity, sex, and disability of customers, applicants and participants.

Currently, no uniform method of reporting and tabulating race and ethnicity data exists in USDA. However, as mentioned previously, under the guidance of the ASCR's office, USDA is making an effort to establish a uniform demographic collection and reporting process.

OMB first set forth requirements on the collection of race and ethnicity data for all Federal programs and activities in 1977 (OMB Directive 15). The original OMB data collection requirements were changed, beginning January 1, 2003, to allow persons to self-identify on a multi-racial basis and through new racial and ethnic categories. See 62 Fed. Reg. 58782 (Oct. 30, 1997).

Appendix B: List of Programs

			Data Included					
Program Name	Mission Area	Agency	Race	Age	National Origin	Disability	Other	Status
Apple Market Loss Assistance Program	FFAS	FSA	Y	N	Y	N	N	1
Beginning Farmer and Rancher Land Contract Guarantee Pilot Program	FFAS	FSA	Y	Y	Y	N	N	1
Beginning Farmer and Rancher Loans	FFAS	FSA	Y	Y	Y	N	N	1 2
Boll Weevil Eradication Loan Program	FFAS	FSA	N	N	N	N	N	1 2
Burley Tobacco Program	FFAS	FSA	N	N	N	N	N	1
Cattle Feed Assistance Program	FFAS	FSA	N	N	N	N	N	1
Conservation Reserve Program	FFAS	FSA	Y	N	Y	N	N	1 2
Cottonseed Payment Program	FFAS	FSA	Y	N	Y	N	N	1
Crop Disaster Program	FFAS	FSA	Y	N	Y	N	N	1 2
Dairy Indemnity Payment Program	FFAS	FSA	Y	N	Y	N	N	1 2
Debt for Nature Program	FFAS	FSA	N	N	N	N	N	1
Direct and Counter-cyclical Payment	FFAS	FSA	Y	N	Y	N	N	1 2
Direct Farm Ownership Loan Program	FFAS	FSA	Y	Y	Y	N	N	1 2
Direct Operating Loan Program	FFAS	FSA	Y	Y	Y	N	N	1 2
Direct Loan Servicing	FFAS	FSA	Y	Y	Y	Y	N	2 3
Direct Loan Disaster Debt Set-Aside Program	FFAS	FSA	Y	Y	Y	Y	N	2 3

Down Payment Farm Ownership Loans	FFAS	FSA	Y	Y	Y	Y	N	2 3
Drainage and Irrigation Loan Program	FFAS	FSA	N	N	N	N	N	1
Economic Emergency Loan Program	FFAS	FSA	Y	Y	Y	N	N	1
Emergency Conservation Program	FFAS	FSA	Y	N	Y	N	N	1 2
Emergency Loan Program	FFAS	FSA	Y	Y	Y	N	N	1 2
Emergency Loan to Seed Producers Program	FFAS	FSA	Y	Y	Y	N	N	1
Farm Storage Facility Loan Program	FFAS	FSA	Y	N	Y	N	N	1 2
Flue-cured Tobacco Program	FFAS	FSA	N	N	N	N	N	1
Grazing Association Loan Program	FFAS	FSA	N	N	N	N	N	1
Guaranteed Farm Operating Loan Program	FFAS	FSA	Y	Y	Y	N	N	1 2
Guaranteed Farm Ownership Loan Program	FFAS	FSA	Y	Y	Y	N	N	1 2
Guaranteed Loan Servicing	FFAS	FSA	Y	Y	Y	N	N	2 3
Hard White Wheat Incentive Payment Program	FFAS	FSA	Y	Y	Y	N	N	1 2
Horse Breeder Loan Program	FFAS	FSA	Y	Y	Y	N	N	1
Idaho Oust Program	FFAS	FSA	N	N	N	N	N	
Indian Tribal Land Acquisition Loan Program	FFAS	FSA	N	N	N	N	N	1 2
Karnal Bunt Program	FFAS	FSA	N	N	N	N	N	1
Lamb Meat Adjustment Assistance Program	FFAS	FSA					N	1
Livestock Assistance Program	FFAS	FSA	Y	N	Y	N	N	1

Livestock Compensation Program	FFAS	FSA	Y	N	Y	N	N	1
Livestock Indemnity Payment Program	FFAS	FSA	Y	N	Y	N	N	1
Milk Income Loss Contract Program	FFAS	FSA	Y	N	Y	Y	N	1 2
New Mexico Tebuthiuron Program	FFAS	FSA	Y	N	Y	N	N	1
Non Fat Dry Milk Emergency Program	FFAS	FSA	N	N	N	N	N	1
Noninsured Crop Disaster Assistance Program	FFAS	FSA	Y	N	Y	N	N	1 2
Non-recourse Marketing Assistance Loan and Loan Deficiency Payment	FFAS	FSA	Y	N	Y	N	N	1 2
Other Tobacco Program	FFAS	FSA	Y	Y	Y	N	N	1
Peanut Quota Buyout Program	FFAS	FSA	Y	N	Y	N	N	1 2
Recreation Loan Program	FFAS	FSA	Y	Y	Y	N	N	1
Seed Cotton Recourse Loan Program	FFAS	FSA	Y	Y	Y	N	N	1
Softwood Timber Loan Program	FFAS	FSA	Y	Y	Y	N	N	1
Soil and Water Loan Program	FFAS	FSA	Y	Y	Y	N	N	1 2
Special Apple Loan Program	FFAS	FSA	Y	Y	Y	N	N	1
Sugar Beet Disaster Assistance Program	FFAS	FSA	N	N	N	N	N	1
Sugarcane Disaster Assistance Program	FFAS	FSA	N	N	N	N	N	1
Trade Adjustment Assistance Program	FFAS	FSA	Y	N	Y	Y	N	1
Tree Assistance Program	FFAS	FSA	N	N	N	N	N	1
Youth Loan Program	FFAS	FSA	Y	Y	Y	N	N	1 2

Agricultural Management Assistance Program	FFAS	RMA	N	N	N	N	N	1 2
Federal Crop Insurance Program	FFAS	RMA	N	N	N	N	N	1 2
Research and Development Partnership Agreements	FFAS	RMA	N	N	N	N	N	1 2
Commodity Partnership for Risk Management Education	FFAS	RMA	N	N	N	N	N	1 2
Community Outreach and Assistance Partnership Programs.	FFAS	RMA	N	N	N	N	N	1 2
Agricultural Management Assistance	NRE	NRCS	Y	Y	Y	Y	N	2 3
Conservation Security Program	NRE	NRCS	Y	Y	Y	Y	N	2 3
Environmental Quality Incentives Program	NRE	NRCS	Y	Y	Y	Y	N	1 2
Agriculture Innovation Center Demonstration Program	RD	RBS	N	N	N	N	N	1 2
Renewable Energy System and Energy Efficiency Improvement Program	RD	RBS	Y	N	Y	N	N	1 2
Research on Effects of Value-added on the Agricultural Sector	RD	RBS	N	N	N	N	N	1 2

Rural Cooperative Development Grant (RCDG)	RD	RBS	N	N	N	N	N	1 2
Value-added Producer Grants (VADG)	RD	RBS	Y	Y	Y	Y	Y	1 2
Agricultural Marketing Resource Center Grant	RD	RBS	N	N	N	N	N	1 2
MFH Section 514 Farm Labor Housing Loans	RD	RHS	Y	N	Y	Y	N	1 2
MFH Section 516 Farm Labor Housing Grants	RD	RHS	Y	N	Y	Y	N	1 2
AgrAbility	REE	CSRE ES	N	N	N	N	N	1 2
Agricultural Risk Management Education	REE	CSRE ES	N	N	N	N	N	1 2
Farm Safety	REE	CSRE ES	N	N	N	N	N	1 2
Outreach and Technical Assistance for Socially Disadvantaged Farmers and Ranchers Program	REE	CSRE ES	N	N	N	N	N	1 2
Sustainable Agriculture Research and Extension Programs	REE	CSRE ES	N	N	N	N	N	1 2

Some programs reported in FY 2003 are not reported in FY 2004. FY 2003 list of programs is the basis for the FY 2004 list of programs. New programs were added in FY 2004.

Appendix C: Program Descriptions

1 Denotes FY 2003

2 Denotes FY 2004

3 Denotes New FY 2004

Farm Service Agency

Beginning Farmer and Rancher Loans - FSA provides direct and guaranteed loans to beginning farmers and ranchers who are unable to obtain financing from commercial credit sources. Beginning Farmer and Rancher loans were developed for individuals who have not previously operated a farm or ranch, or who have operated a farm or ranch for less than 10 consecutive years. Each fiscal year, the Agency targets a portion of both its direct and guaranteed farm ownership (FO) and operating loan (OL) funds to beginning farmers and ranchers.

Boll Weevil Eradication Loan Program - The Boll Weevil Eradication Loan Program provides low-interest loans to nonprofit organizations that work collaboratively with state agencies, USDA's Animal and Plant Health Inspection Service, and the National Cotton Council to eradicate the boll weevil. The program objective is to assist producers and state government agencies in the eradication of boll weevils from cotton producing areas.

Conservation Reserve Program (CRP) – The CRP is a voluntary program available to agricultural producers to help safeguard environmentally sensitive land. Producers enrolled in CRP plant long-term, resource-conserving covers to improve the quality of water, control soil erosion, and enhance wildlife habitat. In return, FSA provides participants with rental payments and cost-share assistance. Contract duration is between 10 and 15 years.

Crop Disaster Program (CDP) – The CDP provides crop-loss disaster assistance for producers who suffered 2003, 2004, or 2005 crop losses caused by damaging weather and related conditions. Also included is disaster assistance specifically for producers in Virginia, and producers of fruit and vegetable crops located in North Carolina that suffered losses due to adverse weather and related conditions that occurred in 2003.

Dairy Indemnity Payment Program - The Dairy Indemnity Payment Program pays dairy producers when a public regulatory agency directs them to remove their raw milk from the commercial market because it has been contaminated by pesticides, nuclear radiation or fallout, or toxic substances and chemical residues other than pesticides. Payments are made to manufacturers of dairy products only for products removed from the market because of pesticide contamination.

Direct and Counter-cyclical Payment (DCP) Program — DCP payments provide income support to producers of eligible commodities and are based on historically-based acreage and yields and do not depend on the current production choices of the farmer. DCP was authorized by the Farm Security and Rural Investment Act of 2002 (2002 Farm Bill) for farms enrolled for the 2002 through 2007 crop years for barley, corn, grain sorghum (including dual-purpose varieties), oats, canola, crambe, flax, mustard, rapeseed, safflower, sesame and sunflower (including oil and non-oil varieties), peanuts, rice (excluding wild rice), soybeans; upland cotton, and wheat.

Direct Farm Ownership Loan Program (FO) - FSA direct farm ownership loans are loans to purchase farmland, construct or repair buildings and other fixtures, and promote soil and water conservation. To qualify for a direct loan, the applicant must be able to show sufficient repayment ability and pledge enough collateral to fully secure the loan.

Direct Operating Loan Program (OL) - FSA direct farm operating loans are loans to purchase items such as livestock, farm equipment, feed, seed, fuel, farm chemicals, insurance, and other operating expenses. They can also be used to pay for minor improvements to buildings, costs associated with land and water development, family subsistence, and refinancing debts under certain conditions.

Direct Loan Servicing -- To help keep borrowers on the farm, FSA may be able to provide certain loan servicing benefits to borrowers whose accounts are distressed or delinquent due to circumstances beyond their control. These benefits include reamortization, restructuring, and/or deferral of loans, rescheduling at lower interest rates, acceptance of conservation contracts on environmentally sensitive land in exchange for reduction of debt, and writing down the debt of delinquent borrowers to its collateral's current market value. If none of these options results in a feasible farming operation, borrowers may be offered the opportunity to purchase their debt at its current market value. If this is not possible, other options include debt settlement, retention of the homestead and up to 10 acres of land, or sale of the farms to a beginning farmers and ranchers.

Direct Loan Disaster Debt Set-Aside Program - FSA borrowers who are located in designated disaster areas or contiguous (adjoining) counties, and who are unable to make their scheduled payments on any debt, may request that FSA consider setting aside some payments to allow the operation to become stable. Borrowers who are current or less than 90 days past due on all FLP loans, may apply to move the scheduled annual installment for each eligible FLP loan to the end of the loan term. The intent of this program is to relieve some of the borrower's immediate financial stress caused by a natural disaster.

Down Payment Farm Ownership Loans – Down Payment Farm Ownership loans were developed to help beginning farmers and ranchers purchase a farm or ranch. These loans provide a way for retiring farmers to transfer their land to a future generation of farmers and ranchers.

Emergency Conservation Program (ECP) - ECP provides funding for farmers and ranchers to rehabilitate farmland damaged by wind erosion, floods, hurricanes, or other natural disasters, and for carrying out emergency water conservation measures during periods of severe drought. The natural disaster must create new conservation problems, which, if not treated, would: impair or endanger the land; materially affect the productive capacity of the land; represent unusual damage which, except for wind erosion, is not the type likely to recur frequently in the same area; and be so costly to repair that Federal assistance is or will be required to return the land to productive agricultural use.

Emergency Loan Program - FSA provides emergency loans to help producers recover from production and physical losses due to drought, flooding, other natural disasters, or quarantine. Emergency loans may be made to farmers and ranchers who own or operate land located in a county declared by the President as a disaster area or designated by the Secretary of Agriculture as a disaster area or quarantine area (for physical losses only, the FSA Administrator may authorize emergency loan assistance). Emergency loan funds may be used to: restore or replace essential property; pay all or part of production costs

associated with the disaster year; pay essential family living expenses; reorganize the farming operation; and refinance certain debts.

Farm Storage Facility Loan Program – The Commodity Credit Corporation (CCC), through FSA, may make loans to producers to build or upgrade farm storage and handling facilities for rice, soybeans, dry peas, lentils, small chickpeas, peanuts, sunflower seeds, canola, rapeseed, safflower, flaxseed, mustard seed, and other oilseeds as determined and announced by CCC. Corn, grain sorghum, oats, wheat, and barley are also eligible, subject to program requirements.

Guaranteed Farm Ownership Loan Program - FSA guaranteed loans provide lenders (banks, Farm Credit System institutions, credit unions) with a guarantee of up to 95 percent of the loss of principal and interest on a loan. Farmers and ranchers apply to an agricultural lender, which then arranges for the guarantee. The FSA guarantee permits lenders to make agricultural credit available to farmers who do not meet the lender's normal underwriting criteria. A percentage of guaranteed loan funds is targeted to beginning farmers and ranchers and minority applicants. Guaranteed Farm Ownership Loans may be made to purchase farmland, construct or repair buildings and other fixtures, develop farmland to promote soil and water conservation, or to refinance debt.

Guaranteed Operating Loan Program - FSA guaranteed loans provide lenders (banks, Farm Credit System institutions, credit unions) with a guarantee of up to 95 percent of the loss of principal and interest on a loan. Farmers and ranchers apply to an agricultural lender, which then arranges for the guarantee. The FSA guarantee permits lenders to make agricultural credit available to farmers who do not meet the lender's normal underwriting criteria. A percentage of guaranteed loan funds is targeted to beginning farmers and ranchers and minority applicants. Guaranteed Operating Loans may be made to purchase items needed such as livestock, farm equipment, feed, seed, fuel, farm chemicals, repairs, insurance, and other operating expenses. Operating Loans also can be used to pay for minor improvements to buildings, costs associated with land and water development, family living expenses, and to refinance debts under certain conditions.

Guaranteed Loan Servicing – When a guaranteed loan is in default, the guaranteed lender can provide the borrower with several restructuring options if a feasible plan of restructuring can be developed. To restructure guaranteed loans lenders certify to the need for restructuring. If a borrower is current on a loan, but will be unable to make a payment, a restructuring proposal may be submitted prior to the payment coming due. Farm Ownership loans may be amortized over the remaining term of the note, or with an uneven payment schedule. The maturity date cannot exceed 40 years.

Operating loans must be rescheduled over a period not to exceed 15 years from the date of the rescheduling. A line of credit may be rescheduled over a period not to exceed 7 years from the date of the rescheduling or 10 years from the date of the original note, whichever is less. Advances cannot be made against a line of credit loan that has had any portion of the loan rescheduled. Loans secured by real estate and/or equipment can be restructured using a balloon payment, equal installments, or unequal installments. If rescheduling or reamortization does not create feasible plan, payments may be deferred up to 5 years, if not extended beyond the due date of the note. If a deferral does not work, a lender may write down a delinquent guaranteed loan in an amount sufficient to

permit the borrower to develop a feasible plan. If a default cannot be cured after considering servicing options and mediation, the lender will proceed with liquidation of the collateral.

Hard White Wheat Incentive Program (HWWIP) – HWWIP is intended to increase the supply of hard white wheat available for domestic milling and export for the 2003 through 2005 crop years. Producers must apply for HWWIP benefits annually for each of the 2003 through 2005 crop years. Both hard white winter wheat and hard white spring wheat are eligible for payment, as long as the end use of the wheat is not for animal feed.

Indian Tribal Land Acquisition Program (ITLAP) – ITLAP loans enable Indian tribes to purchase privately held lands that lie within their reservations. Loan funds may be used to pay expenses incidental to the purchase of the land, but not for land development.

Milk Income Loss Contract (MILC) Program - The MILC Program financially compensates dairy producers when domestic milk prices fall below a specified level. MILC payments are made monthly when milk price falls below the established price per hundredweight.

Noninsured Crop Disaster Assistance Program (NAP) - NAP provides financial assistance to eligible producers affected by drought, flood, hurricane, or other natural disasters. NAP covers noninsurable crop losses and planting prevented by disasters. Landowners, tenants, or sharecroppers who share in the risk of producing an eligible crop are eligible. Eligible crops include commercial crops and other agricultural commodities produced for food, including livestock feed or fiber for which the catastrophic level of crop insurance is unavailable. Also eligible for NAP coverage are controlled-environment crops (mushroom and floriculture), specialty crops (honey and maple sap), and value loss crops (aquaculture, Christmas trees, ginseng, ornamental nursery, and turfgrass sod).

Nonrecourse Marketing Assistance Loan (MAL) and Loan Deficiency Payment (LDP) Programs – MALs provide producers interim financing at harvest time to meet cash flow needs without having to sell their commodities when market prices are typically at harvest-time lows. MALs allow producers to store production at harvest and facilitates more orderly marketing of commodities throughout the year.

MALs for covered commodities are nonrecourse because the commodity is pledged as loan collateral and producers have the option of delivering the pledged collateral to the Commodity Credit Corporation as full payment for the loan at maturity. A producer who is eligible to obtain a loan, but who agrees to forgo the loan, may obtain an LDP. An LDP is the amount by which the applicable loan rate where the commodity is stored exceeds the alternative loan repayment rate for the respective commodity.

Peanut Quota Buyout Program — The 2002 Farm Bill repealed the marketing quota program for peanuts and provided for CCC to pay eligible peanut quota holders to ease the transition from the marketing quota program to the new peanut marketing assistance loan program. Payments are made to each eligible peanut quota holder based on the

amount of the peanut quota that was available to such holder for the 2001 crop year. An eligible peanut quota holder owned a farm as of May 13, 2002, that had a permanent peanut quota. Quota holders may receive payment under this program in five equal installments in each of the 2002 through 2006 fiscal years, or as a single lump sum payment in any of these years.

Soil and Water (SW) Loan Program — Soil and Water loans were made to encourage and facilitate the improvement, protection, and proper use of farmland by providing financing for soil conservation, water development, conservation, and use; forestation; drainage of farmland; the establishment and improvement of permanent pasture; pollution abatement and control; and other related measures consistent with all Federal, State and local environmental standards. SW loans are no longer funded, however, such outstanding loans are serviced by the Agency.

Youth Loans - FSA makes loans to individual rural youths, between the ages of 10 and 20 years, to establish and operate income-producing projects of modest size in connection with their participation in 4-H clubs, the Future Farmers of America and similar organizations. Each project must be part of an organized and supervised program of work. The project must be planned and operated with the help of the organization adviser, produce sufficient income to repay the loan, and provide the youth with practical business and educational experience.

Risk Management Agency

RMA administers the Federal Crop Insurance Corporation (FCIC) programs and promotes national welfare by improving the economic stability of agriculture through a secure system of crop insurance and risk management tools. RMA meets the crop insurance and risk management needs of the Nation's small and limited-resource farmers and ranchers through a network of public and private sector partners. Together, RMA and these partners create new crop insurance and risk management products, provide risk management education and outreach, and ensure program accessibility and integrity.

Agricultural Management Assistance Program

This program is intended to encourage increased participation in the Federal crop insurance program by farmer and ranchers located in the 15 statutorily designated "historically underserved" States (Connecticut, Delaware, Maine, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia, and Wyoming). Farmers and ranchers operating in one of these States may receive an additional subsidy, reducing the producer paid portion of the premium, on their crop insurance. The additional subsidy is intended to encourage farmers and ranchers to begin participating in the Federal crop insurance program or to encourage existing participants to purchase higher, more meaningful, levels of coverage, thereby reducing the need for ad hoc disaster assistance.

Community Outreach and Assistance Partnership Programs

This program is aimed to ensure that participation of women, limited resource, socially disadvantaged farmers and ranchers, and other traditionally underserved producers of priority agricultural commodities covered by the noninsured crop disaster assistance program are provided with the information and training necessary to use financial management, crop insurance, marketing contracts, and other existing and emerging risk management tools. The Community Partnerships program is authorized under section 522(d)(3)(F) of the Federal Crop Insurance Act. The funding availability of this program is up to \$5 million for partnership agreements.

Commodity Partnerships for Risk Management Education

Through partnership agreements this program will provide risk management education and information program in specific geographical areas. Projects funded through this program are envisioned to include the participation of multiple and diverse partners which includes public and private agricultural organizations, beginning farmers and ranchers, livestock and forage producers. Commodity Partnerships for Risk Management Education: program is authorized under section 522(d) and 524(a) of the Federal Crop Insurance Act. The funding availability of the program is up to \$3.5 million for partnership agreements.

Crop Insurance Education and Information Programs for Farmers and Ranchers in Targeted States

Outreach efforts in this program will be used to conduct crop insurance education programs in 15 States that have been determined to have low participation or are underserved by the Federal Crop insurance program. The 15 states are Connecticut, Delaware, Maine, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia, and Wyoming. Crop Insurance Education in Targeted States: The Crop Insurance Education in Targeted States is authorized under section 522(d) and 524(a) of the Federal Crop Insurance Act. The funding availability of this program is up to \$4.25 million for partnership agreements.

Federal Crop Insurance

The Federal Crop Insurance Program provides farmers and ranchers actuarially sound risk management tools which protect against agricultural production losses due to unavoidable “natural” causes such as drought, excessive moisture, wind, insects, etc. In addition, revenue insurance products are available under which producers of certain commodities are protected against loss of revenue stemming from low prices, poor yields, or a combination of both. Recent changes to the authorizing legislation has provided for the development of innovative insurance products protecting livestock producers from low prices and/or high input costs and whole farm products which protects the producer’s entire farming operation against a loss in revenue. The livestock and whole farm products are currently being pilot tested in a number of States prior to being expanded Nation-wide. The Federal crop insurance program is authorized by the Federal Crop Insurance Act and protects for more than \$40 billion of agricultural production against potential losses.

Research and Development Partnerships Agreements

Participation in this program will be used to develop risk management tools and provide educational efforts to assist forage and rangeland producers of agricultural commodities currently covered by section 106 of the Agriculture Market Transition Act (7 U.S.C. 7333), specialty crops, livestock, rangeland and underserved commodities. The Risk Management Research & Partnerships is in accordance with section 522(d) of the Federal Crop Insurance Act. The funding availability of this program is up to \$4 million for partnership agreements.

Natural Resources Conservation Service (NRCS)

NRCS partners with private land managers, conservation districts, resource conservation and development (RC&D) area councils, State and local governments, Tribal governments, rural communities, businesses, and others. Through these partnerships, NRCS works to conserve, maintain, and improve our natural resources and environment. NRCS assists land users to reduce soil erosion, improve soil and water, enhance air quality, improve and restore woodlands and wetlands, enhance fish and wildlife habitat, improve pasture and rangeland and reduce upstream flooding.

Environmental Quality Incentives Program (EQIP)

EQIP was reauthorized in the Farm Security and Rural Investment Act of 2002 (Farm Bill) to provide a voluntary conservation program for farmers and ranchers that promotes agricultural production and environmental quality as compatible national goals. EQIP offers financial and technical help to assist eligible participants install or implement structural and management practices on eligible agricultural land.

EQIP offers contracts with a minimum term that ends 1 year after the implementation of the last scheduled practices and a maximum term of 10 years. These contracts provide incentive payments and cost-shares to implement conservation practices. Persons who are engaged in livestock or agricultural production on eligible land may participate in the EQIP program. EQIP activities are carried out according to an environmental quality

incentives program plan of operations developed in conjunction with the producer that identifies the appropriate conservation practice or practices to address the resource concerns. The practices are subject to NRCS technical standards adapted for local conditions. The local conservation district approves the plan.

EQIP may cost-share up to 75 percent of the costs of certain conservation practices. Incentive payments may be provided for up to three years to encourage producers to carry out management practices they may not otherwise use without the incentive. However, limited resource producers and beginning farmers and ranchers may be eligible for cost-shares up to 90 percent. Farmers and ranchers may elect to use a certified third-party provider for technical assistance. An individual or entity may not receive, directly or indirectly, cost-share or incentive payments that, in the aggregate, exceed \$450,000 for all EQIP contracts entered during the term of the Farm Bill.

Agricultural Management Assistance (AMA)

AMA provides cost share assistance to agricultural producers to voluntarily address issues such as water management, water quality, and erosion control by incorporating conservation into their farming operations. Producers may construct or improve water management structures or irrigation structures; plant trees for windbreaks or to improve water quality; and mitigate risk through production diversification or resource conservation practices, including soil erosion control, integrated pest management, or transition to organic farming.

Conservation Security Program (CSP)

The Farm Security and Rural Investment Act of 2002 (2002 Farm Bill) (Pub. L. 107-171) amended the Food Security Act of 1985 to authorize CSP, a voluntary program that provides financial and technical assistance to promote the conservation and improvement of soil, water, air, energy, plant and animal life, and other conservation purposes on Tribal and private working lands. Working lands include cropland, grassland, prairie land, improved pasture, and range land, as well as forested land that is an incidental part of an agriculture operation. The program is available in all 50 States, the Caribbean Area and the Pacific Basin area. The program provides equitable access to benefits to all producers, regardless of size of operation, crops produced, or geographic location.

Rural Development

RD is composed of the Rural Business-Cooperative Service (RBS), the Rural Housing Service (RHS), and the Rural Utilities Service (RUS), and Office of Community Development. Rural Development offers rural communities financial and technical resources. Rural Development: encourages the establishment and growth of rural businesses and cooperatives to provide good jobs and diverse markets; provides access to technical assistance, capital, and credit for quality housing, as well as for modern, essential community facilities and fire fighting equipment; finances the development of electric, telephone, telecommunication, water and wastewater infrastructures to create modern, affordable utilities; and provides information, technical assistance, and, when appropriate, leadership to rural areas to design and carry their own rural development initiatives through community capacity building.

Rural Business Service

Agricultural Innovation Center Demonstration Program

The Agriculture Innovation Center Demonstration Program funds innovation centers for work on providing technical and business development assistance to agricultural producers seeking to enter into ventures that add value to commodities or products they produce. Grants are awarded through a competitive process. Up to 10 grants may be awarded and the maximum amount that can be awarded is \$1,000,000. The grants are for a one-year project period. The program was authorized by the 2002 Farm Bill.

Appropriate Technology Transfer for Rural Areas (ATTRA)

ATTRA provides information to farmers and other rural users on a variety of sustainable agricultural practices that include both cropping and livestock operations. The program encourages agricultural producers to adopt sustainable agricultural practices which allow them to maintain or improve profits, produce high quality food and reduce adverse impacts to the environment. The program was authorized by the Food Security Act of 1985 (1985 Farm Bill).

Renewable Energy System and Energy Efficiency Improvement Program

The 2002 Farm Bill established the Renewable Energy Systems and Energy Efficiency Improvement Program. A proposed rule implementing the program was published in October 2004. The program is expected to make loans, loan guarantees, and grants to “a farmer, rancher, or rural small business” to purchase renewable energy systems and make energy efficiency improvements. The purpose of the program is to help agricultural producers and rural small businesses to reduce energy costs and consumption.

Research on Effects of Value-added on the Agricultural Sector

This program provides \$300,000 to a university to research the effects of value-added projects on producers and commodity markets. This research must focus on the effects of these projects on the demand for agricultural commodities, market prices, farm income, and Federal outlays on commodity programs.

Rural Cooperative Development Grants

Rural Cooperative Development grants are made for establishing and operating centers for cooperative development for the primary purpose of improving the economic condition of rural areas through the development of new cooperatives and improving operations of existing cooperatives. Priority is given to applications from small and minority producers.

Value-added Producer Grants Program (VAPG)

VAPG Program was authorized by the Agriculture Risk Protection Act of 2000 and was amended by the 2002 Farm Bill. Grants may be used for planning activities and working capital for marketing value-added agricultural products and for farm-based renewable energy. Eligible applicants are independent producers, farmer and rancher cooperatives, agricultural producer groups, and majority-controlled producer-based business ventures

Agricultural Marketing Resource Center Grant

The purpose of the program is to provide independent producers and processors with critical information needed to build successful value-added agriculture enterprises via an electronically based center that creates and presents information about value-added agriculture. The center draws on the abilities, skills and knowledge of leading economists, business strategists and outreach specialists to provide reliable information needed by independent producers to achieve success and profitability in value-added agriculture. The program was authorized by the Agricultural Risk Protection Act of 2000 and in FY 2003 funding was \$2 million.

Rural Housing Service (RHS)

Farm Labor Housing Loan and Grant Program

Loans are made to farmers, associations of farmers, family farm corporations, Indian tribes, nonprofit organizations, public agencies, and associations of farm workers. Typically, loan applicants are unable to obtain credit elsewhere, but in some instances, farmers able to get credit elsewhere may obtain loans at a rate of interest based on the cost of Federal borrowing. Grants are made to farm worker associations, nonprofit organizations, Indian tribes, and public agencies. Funds may be used in urban areas for nearby farm labor (This is the only RHS rural service area exception).

The program is authorized under the Housing Act of 1949 (as amended), and in FY 2003, RHS had a program level of \$61,000,000 in Section 514 Loans and Section 516 Grants. With that level of funding, we provided new and rehabilitated rental housing for 3,785 farm worker families.

Cooperative State Research, Education and Extension Service (CSREES)

CSREES sees agriculture as a knowledge-based, global enterprise, sustained by the innovation of scientists and educators. CSREES responds to the needs of individuals, families, groups and organizations with educational programs in three broad areas: agriculture and natural resources, family and consumer sciences and community initiatives, and 4-H youth development. CSREES programs are administered through a national network of land-grant university state partners, which link research, science, and technology to people's needs at home and at work.

Sustainable Agriculture Research and Education Program (SARE)

SARE is authorized under USC Title 7, Chapter 88, Subchapter I, sections 5801 through 5814 (for the R and E funding line).

Most of the funding goes to research and education grants that may involve producers as cooperators or collaborators. These grants are competitively awarded to producers for producer-led research, the results of which are disseminated to other farmers and ranchers (i.e. not just for private gain of the producer who carries out the project).

The purpose of the program is to increase knowledge about, and help farmers and ranchers adopt, practices that are profitable, environmentally sound, and good for communities. SARE appropriations fund projects that conduct research and extension programs that aim to benefit primarily farmers and ranchers, and to some extent, the general public in other forms.

SARE appropriations for FY 03 were \$13,660,625. Most of this funding goes from the CSREES in four equal parts to four regional "host institutions" which are currently at land-grant universities. The money is awarded primarily by competitive grants by those regional hosts, under the direction of regional Administrative Councils. The Administrative Councils are comprised of farmers, ranchers, university, government, and other people. The composition is defined in statute.

About 10 percent of the funding goes to producer grants. These grants are competitively awarded to producers for producer-led research, the results of which are disseminated to other farmers and ranchers (i.e. not just for private gain of the producer who carries out the project).

Agricultural Risk Management Education (RME) Program

RME is authorized under Section 133 of the Agricultural Protection Act of 2000. The CSREES RME program received \$5,000,000 in FY 2003. The program educates supports educational programs covering a complete array of agricultural risk management tools and strategies. The program provides funds for the development of risk management educational materials used principally by Extension Service agents and employees to help producers mitigate and adjust to risk. Projects are funded via a competitive process. The grant review is conducted through four regional RME Centers which are located at the University of Delaware, Texas A&M University, Washington State University, and the University of Nebraska, Lincoln. Any institution able to demonstrate the expertise to develop risk management education materials is eligible to compete.

The Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers Competitive Grant Program (OASDFRCGP)

OASDFRCGP is authorized under Section 2501(a) of the Food, Agriculture, Conservation, and Trade Act of 1990, Pub. L. 101-624, November 28, 1990, (7 U.S.C. 2279(a)). This legislation authorizes the Secretary to make grants to eligible institutions and organizations to provide outreach and technical assistance to encourage and assist socially disadvantaged farmers and ranchers to own and operate farms and ranches and to participate equitably in the full range of agricultural programs offered by the Department. Further, the legislation states that this assistance shall enhance coordination of the outreach, technical assistance, and education efforts authorized under various agriculture programs and include information on and assistance with commodity, conservation, credit, rural, and business development programs, application and bidding procedures, farm and risk management, marketing and other activities essential to participation in agricultural and other programs of the Department. Universities, non-profit and other specific organizations with experience in helping target populations access agriculture programs are eligible for funding.

The OASDFRCGP was delegated to CSREES in 2003 to administer competitively awarded grants for fiscal years 2002 and 2003. FY2003 funding was \$3.4 million. A Request for Applications was released that resulted in the submission of 85 proposals. Five proposals requested support for conference projects and 80 proposals were for requested funding for full training and technical assistance (T&TA) projects. The review panel awarded funds to 34 projects of which 31 were full T&TA projects and three were conference proposals.

The Farm Safety Outreach Program (FSO)

FSO is conducted under Smith Lever 3(d) [7 USC 343(d)]. Funds support farm safety coordinators to develop location appropriate curricula which county or area offices use to produce education programs or to educate their staff about farm-related safety hazards. The program encourages funded institutions to investigate farm hazards, disseminate information concerning avoiding these hazards, and educate those directly involved in production agriculture including growers, operators, and helpers and those indirectly involved including families, visitors, and service providers with the intent to reduce agriculturally related deaths, injuries and illnesses.

Funds are distributed on a formula basis in equal amounts to 1862 land grants with Farm Safety programs (currently all 1862's with the exceptions of UDC and Micronesia), with a small amount set aside for partnering and support activities. The FY 03 appropriation was \$1,316,388.

The Assistive Technology Program for Farmers with Disabilities: AgrAbility Program

AgrAbility Program is conducted under Smith Lever 3(d). To address the specialized needs of AgrAbility's customers, the program builds service capacity on national, regional, state, and local levels through education and networking. In the absence of capacity, projects provide assistance to customers. Projects use marketing to direct the public to initiatives in these three priority areas.

AgrAbility projects provide on-farm assistance in the form of gratis consultations during which they assess abilities and needs, make recommendations for farm site or task modifications and assistive technology, then develop an action plan for attaining goals.

The FY 2003 appropriation for AgrAbility was \$4,172,700. Funds are distributed through a competitive process to 1862 and 1890 land grants that collaborate with at least one non-profit disability service organization. Most funds support state projects while some funds support a national project that services the state projects and provides modified services to states without AgrAbility projects. Funds may not be used to cover farm site modification or assistive technology costs.

Appendix D: Program Agencies

Program Agencies of the United States Department of Agriculture

Agricultural Marketing Service (AMS)
Agricultural Research Service (ARS)
Assistant Secretary for Civil Rights (ASCR)
Animal and Plant Health Inspection Service (APHIS)
Cooperative State Research, Education and Extension Service (CSREES)
Economic Research Service (ERS)
Farm Service Agency (FSA)
Foreign Agricultural Service (FAS)
Food, Nutrition and Consumer Services (FCS)
Food Safety and Inspection Service (FSIS)
Forest Service (FS)
Grain Inspection, Packers, and Stockyards Administration (GIPSA)
Marketing and Regulatory Programs (MRP)
National Agricultural Statistical Service (NASS)
Natural Resources Conservation Service (NRCS)
Natural Resources and Environment (NRE)
Risk Management Agency (RMA)
Rural Business-Cooperative Service (RBS)
Rural Development (RD)
Rural Housing Service (RHS)
Rural Utilities Service (RUS)